

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 155

## HOUSE BILL 2477

AN ACT

AMENDING SECTIONS 45-576, 45-576.02, 45-576.03, 45-578, 45-802.01, 45-859.01, 45-871.01, 45-877.01, 45-2427, 48-3701 AND 48-3710, ARIZONA REVISED STATUTES; AMENDING SECTION 48-3713, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 142, SECTION 2; AMENDING SECTION 48-3713, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 142, SECTION 3; REPEALING SECTION 48-3713, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 145, SECTION 1; AMENDING SECTIONS 48-3772 AND 48-3774, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 22, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-3774.01; AMENDING SECTIONS 48-3775, 48-3776, 48-3778 AND 48-3780, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 22, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-3780.01; AMENDING SECTION 48-3781, ARIZONA REVISED STATUTES; BLENDING MULTIPLE ENACTMENTS; RELATING TO MULTI-COUNTY WATER CONSERVATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 45-576, Arizona Revised Statutes, is amended to  
3 read:

4 45-576. Certificate of assured water supply; designated cities,  
5 towns and private water companies; exemptions;  
6 definition

7 A. A person who proposes to offer subdivided lands, as defined in  
8 section 32-2101, for sale or lease in an active management area shall apply  
9 for and obtain a certificate of assured water supply from the director prior  
10 to presenting the plat for approval to the city, town or county in which the  
11 land is located, where such is required, and prior to filing with the state  
12 real estate commissioner a notice of intention to offer such lands for sale  
13 or lease, pursuant to section 32-2181, unless the subdivider has obtained a  
14 written commitment of water service for the subdivision from a city, town or  
15 private water company designated as having an assured water supply pursuant  
16 to this section.

17 B. A city, town or county may approve a subdivision plat only if the  
18 subdivider has obtained a certificate of assured water supply from the  
19 director or the subdivider has obtained a written commitment of water service  
20 for the subdivision from a city, town or private water company designated as  
21 having an assured water supply pursuant to this section. The city, town or  
22 county shall note on the face of the approved plat that a certificate of  
23 assured water supply has been submitted with the plat or that the subdivider  
24 has obtained a written commitment of water service for the proposed  
25 subdivision from a city, town or private water company designated as having  
26 an assured water supply pursuant to this section.

27 C. The state real estate commissioner may issue a public report  
28 authorizing the sale or lease of subdivided lands only if the subdivider,  
29 owner or agent has obtained a certificate of assured water supply from the  
30 director AND HAS PAID ANY REPLENISHMENT RESERVE FEE REQUIRED UNDER SECTION  
31 48-3774.01, SUBSECTION A, PARAGRAPH 2 or IF the subdivider has obtained a  
32 written commitment of water service for the lands from a city, town or  
33 private water company designated as having an assured water supply pursuant  
34 to this section.

35 D. The director shall designate private water companies in active  
36 management areas that have an assured water supply. If a city or town  
37 acquires a private water company which THAT has contracted for central  
38 Arizona project water, the city or town shall assume the private water  
39 company's contract for central Arizona project water.

40 E. The director shall designate cities and towns in active management  
41 areas where an assured water supply exists. If a city or town has entered  
42 into a contract for central Arizona project water, the city or town is deemed  
43 to continue to have an assured water supply until December 31, 1997.  
44 Commencing on January 1, 1998, the determination that the city or town has

1 an assured water supply is subject to review by the director and the director  
2 may determine that a city or town does not have an assured water supply.

3 F. The director shall notify the mayors of all cities and towns in  
4 active management areas and the chairmen of the boards of supervisors of  
5 counties in which active management areas are located of the cities, towns  
6 and private water companies designated as having an assured water supply and  
7 any modification of that designation within thirty days of the designation  
8 or modification. IF THE SERVICE AREA OF THAT CITY, TOWN OR PRIVATE WATER  
9 COMPANY HAS QUALIFIED AS A MEMBER SERVICE AREA OF A CONSERVATION DISTRICT  
10 PURSUANT TO TITLE 48, CHAPTER 22, ARTICLE 4, THE DIRECTOR SHALL ALSO NOTIFY  
11 THE CONSERVATION DISTRICT OF THE DESIGNATION OR MODIFICATION AND SHALL REPORT  
12 THE PROJECTED ANNUAL REPLENISHMENT OBLIGATION FOR THE MEMBER SERVICE AREA  
13 BASED ON THE PROJECTED AND COMMITTED ANNUAL DEMAND FOR WATER WITHIN THE  
14 SERVICE AREA DURING THE EFFECTIVE TERM OF THE DESIGNATION OR MODIFICATION  
15 SUBJECT TO ANY LIMITATION IN AN AGREEMENT BETWEEN THE CONSERVATION DISTRICT  
16 AND THE CITY, TOWN OR PRIVATE WATER COMPANY. Persons proposing to offer  
17 subdivided lands served by those designated cities, towns and private water  
18 companies for sale or lease are exempt from applying for and obtaining a  
19 certificate of assured water supply.

20 G. This section does not apply in the case of the sale of lands for  
21 developments which THAT are subject to a mineral extraction and processing  
22 permit or an industrial use permit pursuant to sections 45-514 and 45-515.

23 H. The director shall adopt rules to carry out the purposes of this  
24 section no later than January 1, 1995.

25 I. For purposes of this section, "assured water supply" means all of  
26 the following:

27 1. Sufficient groundwater, surface water or effluent of adequate  
28 quality will be continuously available to satisfy the water needs of the  
29 proposed use for at least one hundred years. Beginning January 1 of the  
30 calendar year following the year in which a groundwater replenishment  
31 district is required to submit its preliminary plan pursuant to section  
32 45-576.02, subsection A, paragraph 1, with respect to an applicant that is  
33 a member of the district, "sufficient groundwater" for purposes of this  
34 paragraph means that the proposed groundwater withdrawals that the applicant  
35 will cause over a period of one hundred years will be of adequate quality and  
36 will not exceed, in combination with other withdrawals from land in the  
37 replenishment district, a depth to water of one thousand feet or the depth  
38 of the bottom of the aquifer, whichever is less. In determining depth to  
39 water for the purposes of this paragraph, the director shall consider the  
40 combination of:

41 (a) The existing rate of decline.

42 (b) The proposed withdrawals.

43 (c) The expected water requirements of all recorded lots that are not  
44 yet served water and that are located in the service area of a municipal  
45 provider.

1           2. The projected groundwater use is consistent with the management  
2 plan and achievement of the management goal for the active management area.

3           3. The financial capability has been demonstrated to construct  
4 the water facilities necessary to make the supply of water available for the  
5 proposed use, including a delivery system and any storage facilities or  
6 treatment works. The director may accept evidence of the construction  
7 assurances required by section 9-463.01, 11-806.01 or 32-2181 to satisfy this  
8 requirement.

9           Sec. 2. Section 45-576.02, Arizona Revised Statutes, is amended to  
10 read:

11           45-576.02. Replenishment district plans, conservation district  
12 plans and water district plans

13           A. A groundwater replenishment district that is established pursuant  
14 to title 48, chapter 27 shall submit to the director:

15           1. On or before January 1 of the second calendar year following the  
16 year in which the district is established, a preliminary plan describing the  
17 activities that the district proposes to undertake during the seventeen  
18 calendar years following submittal of the preliminary plan.

19           2. On or before January 1 of the twelfth calendar year following the  
20 year in which the district is established, a long-range plan describing the  
21 district's proposed activities through the first calendar year in which  
22 achieving safe-yield is required.

23           B. The district's plan shall include:

24           1. An estimate of the district members' replenishment obligations that  
25 will arise during the planning period.

26           2. A description of water resources that are expected to be available  
27 to the district during the planning period.

28           3. A description of any facilities and projects to be used for  
29 replenishment during the planning period.

30           4. An analysis of potential groundwater replenishment sites in each  
31 groundwater sub-basin in the district.

32           5. A description of the district's financial capabilities and  
33 financial requirements that are necessary to address the district members'  
34 replenishment obligations during the planning period.

35           6. A description of the district's current capability to meet the  
36 district members' replenishment obligations for the five calendar years  
37 following the calendar year in which the district submits its plan.

38           7. Any other information that the director may reasonably require.

39           C. A conservation district that is established pursuant to title 48,  
40 chapter 22, ~~article 4~~ shall submit to the director THE FOLLOWING:

41           1. ~~On or before June 1, 1994, and on or within one year before January~~  
42 ~~1 of every tenth calendar year thereafter, commencing on January 1, 2004, a~~  
43 ~~plan describing the activities that the conservation district proposes to~~  
44 ~~undertake during the twenty calendar years following submitting the plan.~~  
45 Except as provided in subsection D of this section, the plan shall include

1 the following information for each active management area in which a member  
2 land or member service area is or may be located:

3 1. (a) An estimate of the conservation district's current and  
4 projected groundwater replenishment obligations, as that term is defined and  
5 used in title 48, chapter 22, for the twenty calendar years following the  
6 submission of the plan.

7 2. (b) A description of water resources that are expected to be  
8 available to the conservation district for replenishment purposes during the  
9 twenty calendar years following the submission of the plan.

10 3. (c) A description of any facilities and projects to be used for  
11 replenishment purposes during the twenty calendar years following the  
12 submission of the plan.

13 4. (d) An analysis of potential groundwater replenishment sites in  
14 each groundwater sub-basin.

15 5. (e) A description of the conservation district's financial  
16 capabilities and financial requirements that are necessary to address the  
17 conservation district's groundwater replenishment obligations during the  
18 twenty calendar years following the submission of the plan.

19 6. (f) A description of the conservation district's current  
20 capability to meet the current and projected groundwater replenishment  
21 obligations for the five calendar years following the calendar year in which  
22 the conservation district submits the plan.

23 7. (g) If a water district has adopted an ordinance or resolution to  
24 undertake water district groundwater replenishment obligations pursuant to  
25 section 48-4971, subsection A, a description of central Arizona project water  
26 that may be available to the water district for replenishment purposes during  
27 the twenty calendar years following the submission of the plan.

28 8. (h) Any other information that the director may require.

29 2. ON OR BEFORE JANUARY 1, 2005 AND WITHIN ONE YEAR BEFORE JANUARY 1  
30 OF EVERY TENTH CALENDAR YEAR THEREAFTER, A PLAN DESCRIBING THE ACTIVITIES FOR  
31 EACH ACTIVE MANAGEMENT AREA THAT THE CONSERVATION DISTRICT PROPOSES TO  
32 UNDERTAKE DURING THE ONE HUNDRED CALENDAR YEARS FOLLOWING SUBMITTING THE  
33 PLAN. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, THE PLAN SHALL  
34 INCLUDE THE FOLLOWING INFORMATION FOR EACH ACTIVE MANAGEMENT AREA IN WHICH  
35 A MEMBER LAND OR MEMBER SERVICE AREA IS OR MAY BE LOCATED:

36 (a) THE CONSERVATION DISTRICT'S GROUNDWATER REPLENISHMENT OBLIGATIONS  
37 AND THE EXTENT TO WHICH THOSE OBLIGATIONS HAVE BEEN MET IN THE TEN YEARS  
38 PRECEDING SUBMITTAL OF THE PLAN.

39 (b) AN ESTIMATE OF THE CONSERVATION DISTRICT'S CURRENT AND PROJECTED  
40 GROUNDWATER REPLENISHMENT OBLIGATIONS, AS THAT TERM IS DEFINED AND USED IN  
41 TITLE 48, CHAPTER 22, FOR CURRENT MEMBERS FOR THE TWENTY CALENDAR YEARS  
42 FOLLOWING THE SUBMISSION OF THE PLAN AND AN ESTIMATE OF THE DISTRICT'S  
43 PROJECTED GROUNDWATER REPLENISHMENT OBLIGATIONS FOR THE ONE HUNDRED CALENDAR  
44 YEARS FOLLOWING THE SUBMISSION OF THE PLAN FOR CURRENT MEMBERS AND POTENTIAL  
45 MEMBERS BASED ON REASONABLE PROJECTIONS OF REAL PROPERTY AND SERVICE AREAS

1 THAT COULD QUALIFY FOR MEMBERSHIP IN THE TEN YEARS FOLLOWING THE SUBMISSION  
2 OF THE PLAN.

3 (c) A DESCRIPTION OF THE WATER RESOURCES THAT THE CONSERVATION  
4 DISTRICT PLANS TO USE FOR REPLENISHMENT PURPOSES DURING THE TWENTY CALENDAR  
5 YEARS FOLLOWING SUBMISSION OF THE PLAN AND WATER RESOURCES POTENTIALLY  
6 AVAILABLE TO THE CONSERVATION DISTRICT FOR GROUNDWATER REPLENISHMENT PURPOSES  
7 DURING THE SUBSEQUENT EIGHTY CALENDAR YEARS.

8 (d) A DESCRIPTION OF THE DISTRICT'S CURRENT REPLENISHMENT RESERVE  
9 ACTIVITIES IN EACH ACTIVE MANAGEMENT AREA FOR THE TEN YEARS PRECEDING THE  
10 CURRENT PLAN AND PLANNED REPLENISHMENT RESERVE ACTIVITIES FOR THE ENSUING TEN  
11 YEARS TO BE UNDERTAKEN PURSUANT TO SECTION 48-3772, SUBSECTION E.

12 (e) A DESCRIPTION OF ANY FACILITIES AND PROJECTS TO BE USED FOR  
13 REPLENISHMENT AND THE REPLENISHMENT CAPACITY AVAILABLE TO THE CONSERVATION  
14 DISTRICT DURING THE TWENTY CALENDAR YEARS FOLLOWING SUBMISSION OF THE PLAN.

15 (f) AN ANALYSIS OF POTENTIAL STORAGE FACILITIES THAT MAY BE USED BY  
16 THE CONSERVATION DISTRICT FOR REPLENISHMENT PURPOSES.

17 (g) A DESCRIPTION OF THE CONSERVATION DISTRICT'S CAPABILITY TO MEET  
18 THE CURRENT AND PROJECTED GROUNDWATER REPLENISHMENT OBLIGATIONS FOR THE  
19 TWENTY CALENDAR YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE CONSERVATION  
20 DISTRICT SUBMITS THE PLAN.

21 (h) ANY OTHER INFORMATION THAT THE DIRECTOR MAY REQUIRE.

22 D. The information required by subsection C, paragraphs ~~2 and 6~~  
23 PARAGRAPH 1, SUBDIVISIONS (b) AND (f) AND PARAGRAPH 2, SUBDIVISIONS (c) AND  
24 (g) of this section need not be included in a conservation district's plan  
25 if the conservation district demonstrates to the director that it has  
26 obtained an allocation of central Arizona project water OR OTHER WATER  
27 SUPPLIES DETERMINED BY THE DIRECTOR TO BE CONSISTENT WITH THE ASSURED WATER  
28 SUPPLY REQUIREMENTS PURSUANT TO SECTION 45-576 in an amount that equals or  
29 exceeds the projected groundwater replenishment obligation for the twenty  
30 calendar years following the submission of the plan. If the conservation  
31 district demonstrates to the director that it has obtained an allocation of  
32 central Arizona project water OR OTHER WATER SUPPLIES DETERMINED BY THE  
33 DIRECTOR TO BE CONSISTENT WITH THE ASSURED WATER SUPPLY REQUIREMENTS PURSUANT  
34 TO SECTION 45-576 in an amount that is less than the projected groundwater  
35 replenishment obligation for the twenty calendar years following the  
36 submission of the plan, the information required by subsection C, paragraphs  
37 ~~2 and 6~~ PARAGRAPH 1, SUBDIVISIONS (b) AND (f) AND PARAGRAPH 2, SUBDIVISIONS  
38 (c) AND (g) of this section shall be submitted only for the amount of the  
39 obligation in excess of the TOTAL amount of the CENTRAL ARIZONA PROJECT WATER  
40 allocation AND OTHER SUPPLIES. The director shall quantify the amount of an  
41 allocation of central Arizona project water associated with a nondeclining  
42 municipal and industrial subcontract on the basis of the amount of the  
43 contract. The director shall quantify the amount of an allocation of central  
44 Arizona project water associated with a subcontract other than a nondeclining

1 municipal and industrial subcontract on the basis of the reliability of the  
2 source.

3 E. A water district shall submit to the director on or before June 1  
4 of the calendar year following the year in which the water district has  
5 adopted an ordinance or resolution to undertake the water district  
6 groundwater replenishment obligations under section 48-4971, and on or within  
7 one year before each date on which a plan is required to be submitted by the  
8 conservation district under subsection C of this section, a plan describing  
9 the replenishment activities that the water district proposes to undertake  
10 during the twenty calendar years following the submittal of the plan. The  
11 plan shall include the following information for the active management area  
12 in which the water district is located:

13 1. An estimate of the water district's current and projected water  
14 district groundwater replenishment obligation, as that term is defined and  
15 used in title 48, chapter 28, for the twenty calendar years following the  
16 submission of the plan.

17 2. A description of water resources that are expected to be available  
18 to the water district for replenishment purposes during the twenty calendar  
19 years following the submission of the plan.

20 3. A description of any facilities and projects to be used for  
21 replenishment purposes during the twenty calendar years following the  
22 submission of the plan.

23 4. An analysis of potential groundwater replenishment sites in each  
24 groundwater sub-basin.

25 5. A description of the water district's financial capabilities and  
26 financial requirements that are necessary to address the water district  
27 groundwater replenishment obligation during the twenty calendar years  
28 following the submission of the plan.

29 6. A description of the water district's current capability to meet  
30 the current and projected water district groundwater replenishment obligation  
31 for the five calendar years following the calendar year in which the water  
32 district submits the plan.

33 7. Any other information that the director may require.

34 F. For each plan submitted by the water district, the water district  
35 may incorporate applicable portions of the conservation district's plan.

36 Sec. 3. Section 45-576.03, Arizona Revised Statutes, is amended to  
37 read:

38 45-576.03. Director's review of plans

39 A. Within sixty days after receiving a groundwater replenishment  
40 district's preliminary and long-range plans pursuant to section 45-576.02,  
41 the director shall determine if the district has submitted sufficient  
42 information to determine whether the district's plan for operation is  
43 consistent with the management goal of the active management area. If the  
44 director determines that the information is insufficient for such a  
45 determination, the director shall notify the district of the insufficiency

1 in writing and shall specify what additional information is required. The  
2 district shall provide the information to the director within thirty days  
3 after receiving the notice.

4 B. On determining that the district's preliminary or long-range plan  
5 is complete, the director shall publish notice in a newspaper of general  
6 statewide circulation once each week for two consecutive weeks:

7 1. Requesting public comment concerning information supplied by the  
8 district to meet the requirements of section 45-576.02.

9 2. Setting a date and location of a public hearing to be held pursuant  
10 to subsection C of this section.

11 C. The director shall hold a public hearing within sixty days after  
12 the last day of notice under subsection B of this section. The hearing shall  
13 be conducted in an informal manner without adhering to the rules of evidence  
14 required in judicial proceedings. Any person, including the department,  
15 shall have an opportunity to comment on or to present evidence concerning the  
16 submitted plan.

17 D. The district shall respond in writing to all public comments  
18 whether received at the hearing or otherwise received by a date announced by  
19 the director.

20 E. Within one hundred twenty days after the hearing on the preliminary  
21 plan, the director shall issue a preliminary decision determining whether or  
22 not the plan for district operation shall be designated as being consistent  
23 with achieving the management goal. If the director determines that the  
24 preliminary plan for district operation is consistent with achieving the  
25 management goal, the designation expires on January 1 of the thirteenth  
26 calendar year following the calendar year in which the district is  
27 established. Within one hundred twenty days after the hearing on the  
28 long-range plan, the director shall issue a final decision determining  
29 whether or not the plan for district operation shall be designated as being  
30 consistent with achieving the management goal. The director shall include  
31 findings with the decision and a summary of all public comments received in  
32 writing and public comments made at the public hearing.

33 F. The director shall issue a decision that the district's plan for  
34 operation is consistent with achieving the management goal if the director  
35 finds that the district has the current capability to meet the district  
36 members' replenishment obligations for the five calendar years following the  
37 calendar year in which the district submits its plan and, in addition, the  
38 director makes either of the following findings, as applicable:

39 1. If the director is evaluating the preliminary plan, that the  
40 district has established an adequate plan for obtaining financing and water  
41 resources that are necessary to meet the district members' replenishment  
42 obligations through the eighteenth calendar year following the year in which  
43 the district is established.



1           2. If the director is evaluating the long-range plan, that the  
2 district has established an adequate plan to meet the projected replenishment  
3 obligations through the first calendar year in which achieving safe-yield is  
4 required.

5           G. Unless the district successfully appeals the director's decision  
6 pursuant to subsection H of this section, if the director has made a  
7 determination that the district's plan for operation is not consistent with  
8 achieving the management goal, the director shall notify the district of the  
9 inconsistency in writing and shall specify how the district's plan for  
10 operation is inconsistent with achieving the management goal. The district  
11 shall modify its proposed plan and resubmit the plan, and the director shall  
12 review the plan as provided by section 45-576.02 and this section, except  
13 that the director shall only hold a hearing regarding those matters that the  
14 district has modified in its resubmitted plan.

15           H. The director's determination under subsection E of this section is  
16 subject to rehearing or review and to judicial review as provided in section  
17 45-114, subsection C, but the court shall not issue a temporary restraining  
18 order or preliminary injunction to prevent the director from acting under  
19 this chapter while the action is pending.

20           I. Within sixty days after receiving a conservation district's plan  
21 or a water district's plan pursuant to section 45-576.02, the director shall  
22 determine if the conservation district or water district, as the case may be,  
23 has submitted sufficient information to determine whether the conservation  
24 district's plan for operation is consistent with the management goals of each  
25 of the active management areas in which a member land or member service area  
26 is or may be located or whether the water district's plan for operation is  
27 consistent with the management goal of the active management area in which  
28 a water district member land or a water district member service area is or  
29 may be located. If the director determines that the information is  
30 insufficient for such a determination, the director shall notify the  
31 conservation district or water district, as the case may be, of the  
32 insufficiency in writing and shall specify what additional information is  
33 required. The conservation district or water district, as the case may be,  
34 shall provide the information to the director within a reasonable time as  
35 specified by the director.

36           J. On determining that the conservation district's plan or the water  
37 district's plan, as the case may be, is complete, the director shall publish  
38 notice in a newspaper of general statewide circulation once each week for two  
39 consecutive weeks:

40           1. Requesting public comment concerning information supplied by the  
41 conservation district or water district, as the case may be, to meet the  
42 requirements of section 45-576.02.

43           2. Setting a date and location of a public hearing to be held pursuant  
44 to subsection K of this section.

1 K. The director shall hold a public hearing within sixty days after  
2 the last day of the notice under subsection J of this section. The hearing  
3 shall be conducted in an informal manner without adhering to the rules of  
4 evidence required in judicial proceedings. Any person, including the  
5 department, shall have an opportunity to comment on or to present evidence  
6 concerning the submitted plan.

7 L. The conservation district or the water district, as the case may  
8 be, shall respond in writing to all public comments whether received at the  
9 hearing or otherwise received by a date announced by the director.

10 M. Within sixty days after the hearing on the first plan required  
11 under section 45-576.02, subsection C or the first plan required under  
12 section 45-576.02, subsection E and within one hundred twenty days after the  
13 hearing on any subsequent plan required under section 45-576.02, subsection  
14 C or E, the director shall issue a decision for each of the active management  
15 areas in which a member land or member service area is or may be located, and  
16 the active management area in which a water district member land or water  
17 district member service area is or may be located, determining whether or not  
18 the plan submitted with respect to an active management area shall be  
19 designated as being consistent with achieving the management goal of the  
20 active management area. If the director determines that the plan submitted  
21 for an active management area is consistent with achieving the management  
22 goal of that active management area, the designation expires on January 1 of  
23 the year following the year in which the conservation district or the water  
24 district, as the case may be, is required to submit its next plan under  
25 section 45-576.02, subsections C and E. The director shall include findings  
26 with the decision and a summary of all public comments received in writing  
27 and public comments made at the public hearing.

28 N. The director shall ~~issue a decision~~ MAKE A DETERMINATION that the  
29 conservation district's plan is consistent with achieving the management goal  
30 of an FOR EACH active management area if the director finds that the  
31 conservation district has the current capability to meet the current and  
32 projected groundwater replenishment obligation, as that term is defined and  
33 used in title 48, chapter 22, for the active management area for the five  
34 calendar years following the calendar year in which the conservation district  
35 submits its plan, and, in addition, the director finds that the conservation  
36 district has established an adequate plan to meet the projected groundwater  
37 replenishment obligation for the active management area for the twenty  
38 calendar years following the calendar year in which the plan was submitted  
39 ALL OF THE FOLLOWING HAVE BEEN DEMONSTRATED:

40 1. THE CONSERVATION DISTRICT HAS IDENTIFIED SUFFICIENT WATER SUPPLIES  
41 TO MEET ITS REPLENISHMENT OBLIGATIONS FOR CURRENT MEMBERS DURING THE TWENTY  
42 CALENDAR YEARS FOLLOWING THE SUBMISSION OF THE PLAN AND HAS IDENTIFIED  
43 ADDITIONAL WATER SUPPLIES POTENTIALLY AVAILABLE FOR THE DISTRICT'S PROJECTED  
44 GROUNDWATER REPLENISHMENT OBLIGATIONS FOR THE ONE HUNDRED CALENDAR YEARS  
45 FOLLOWING THE SUBMISSION OF THE PLAN FOR CURRENT MEMBERS AND POTENTIAL

1 MEMBERS BASED ON REASONABLE PROJECTIONS OF REAL PROPERTY AND SERVICE AREAS  
2 THAT COULD QUALIFY FOR MEMBERSHIP IN THE TEN YEARS FOLLOWING THE SUBMISSION  
3 OF THE PLAN.

4 2. THE DISTRICT IS DEVELOPING A REPLENISHMENT RESERVE IN EACH ACTIVE  
5 MANAGEMENT AREA PURSUANT TO SECTION 48-3772, SUBSECTION E.

6 3. THE CONSERVATION DISTRICT HAS IDENTIFIED SUFFICIENT CAPACITY AT  
7 STORAGE FACILITIES AND PROJECTS TO BE USED FOR REPLENISHMENT PURPOSES DURING  
8 THE TWENTY CALENDAR YEARS FOLLOWING THE SUBMISSION OF THE PLAN.

9 0. The director shall issue a decision that the water district's plan  
10 is consistent with achieving the management goal of the active management  
11 area in which the water district is located if the director finds that the  
12 water district has the current capability to meet the current and projected  
13 water district groundwater replenishment obligation, as that term is defined  
14 and used in title 48, chapter 28, for the five calendar years following the  
15 calendar year in which the water district submits its plan and, in addition,  
16 the director finds the water district has established an adequate plan to  
17 meet the projected water district groundwater replenishment obligation for  
18 the twenty calendar years following the calendar year in which the plan was  
19 submitted.

20 P. Unless the conservation district or water district successfully  
21 appeals the director's decision pursuant to subsection Q of this section, if  
22 the director has made a determination FOR ONE OR MORE ACTIVE MANAGEMENT AREAS  
23 that the conservation district's plan for operation or the water district's  
24 plan is not consistent with achieving the management goal of an active  
25 management area, the director shall notify the conservation district or water  
26 district, as the case may be, of the inconsistency in writing and shall  
27 specify how the conservation district's plan for operation or the water  
28 district's plan is inconsistent with achieving the management goal. The  
29 conservation district or water district, as the case may be, shall modify its  
30 proposed plan and resubmit the plan WITHIN SIXTY DAYS AFTER IT HAS BEEN  
31 NOTIFIED IN WRITING OF THE DIRECTOR'S DECISION, and the director shall review  
32 the plan as provided by section 45-576.02 and this section, except that the  
33 director shall only hold a hearing regarding those matters that the  
34 conservation district or water district, as the case may be, has modified in  
35 its resubmitted plan.

36 Q. The director's determination under subsection M of this section is  
37 subject to rehearing or review and to judicial review as provided in section  
38 45-114, subsection C, but the court shall not issue a temporary restraining  
39 order or preliminary injunction to prevent the director from acting under  
40 this chapter while the action is pending.

41 R. IF, AT ANY TIME BETWEEN THE SECOND ANNIVERSARY AND THE SIXTH  
42 ANNIVERSARY OF THE DIRECTOR'S DETERMINATION OF CONSISTENCY WITH THE  
43 MANAGEMENT GOAL, THE DIRECTOR DETERMINES THAT THERE HAS BEEN EITHER AN  
44 UNEXPECTED INCREASE IN THE CONSERVATION DISTRICT'S PROJECTED GROUNDWATER  
45 REPLENISHMENT OBLIGATIONS OR AN UNEXPECTED REDUCTION IN WATER SUPPLIES

1 AVAILABLE TO MEET THE CONSERVATION DISTRICT'S CURRENT OBLIGATIONS SUCH THAT  
2 THE CONSERVATION DISTRICT'S PLAN NO LONGER DEMONSTRATES CONSISTENCY WITH THE  
3 MANAGEMENT GOAL FOR ONE OR MORE ACTIVE MANAGEMENT AREAS, THE DIRECTOR MAY  
4 REQUIRE THE CONSERVATION DISTRICT TO SUBMIT A REVISED PLAN FOR  
5 OPERATION. THE REVISED PLAN FOR OPERATION SHALL BE SUBMITTED WITHIN TWO  
6 CALENDAR YEARS OF THE DATE THAT THE DIRECTOR NOTIFIES THE CONSERVATION  
7 DISTRICT OF SUCH A DETERMINATION. THE DIRECTOR SHALL REVIEW THE REVISED PLAN  
8 AS PROVIDED BY SECTION 45-576.02 AND THIS SECTION, EXCEPT THAT THE DIRECTOR  
9 SHALL ONLY HOLD A HEARING REGARDING THOSE CONDITIONS THAT HAVE CHANGED.

10 S. UNLESS THE CONSERVATION DISTRICT SUCCESSFULLY APPEALS THE  
11 DIRECTOR'S DETERMINATION PURSUANT TO SUBSECTION R OF THIS SECTION, IF THE  
12 DIRECTOR HAS MADE A DETERMINATION FOR ONE OR MORE ACTIVE MANAGEMENT AREAS  
13 THAT THE CONSERVATION DISTRICT'S REVISED PLAN FOR OPERATION IS NOT CONSISTENT  
14 WITH ACHIEVING THE MANAGEMENT GOAL OF THAT ACTIVE MANAGEMENT AREA PURSUANT  
15 TO THIS SECTION AND THE CONSERVATION DISTRICT IS UNABLE TO SATISFY THE  
16 DIRECTOR'S CONCERNS WITHIN SIXTY DAYS AFTER THE DIRECTOR HAS NOTIFIED THE  
17 CONSERVATION DISTRICT OF THE DETERMINATION, THE DISTRICT'S PLAN SHALL EXPIRE.

18 Sec. 4. Section 45-578, Arizona Revised Statutes, is amended to read:

19 45-578. Notice; objections; hearing; issuance of certificate;  
20 appeals

21 A. The director shall give notice of the application for a certificate  
22 of assured water supply once each week for two consecutive weeks in a  
23 newspaper of general circulation in the active management area in which the  
24 applicant proposes to use water. The first publication shall occur within  
25 fifteen days after the application is determined complete and correct or at  
26 any earlier time as the applicant may request after the application is  
27 determined complete. If the application is substantially modified after  
28 notice of the application is given pursuant to this subsection, the director  
29 shall give notice of the application as modified in the manner prescribed by  
30 this subsection. The first publication of any subsequent notice shall occur  
31 within fifteen days after the modified application is determined complete and  
32 correct or at any earlier time as the applicant may request after the  
33 modified application is determined complete.

34 B. Notice pursuant to subsection A of this section shall state that  
35 objections to the issuance of the certificate may be filed by residents of  
36 the active management area, in writing, with the director within fifteen days  
37 after the last publication of notice. An objection shall state the name and  
38 mailing address of the objector, be signed by the objector, the objector's  
39 agent or the objector's attorney and clearly set forth reasons why the  
40 certificate should not be issued. The grounds for objection are limited to  
41 whether the certificate application meets the criteria for determining an  
42 assured water supply set forth in section 45-576, subsection I.

43 C. In appropriate cases, including cases where a proper written  
44 objection to the certificate application has been filed, an administrative  
45 hearing may be held before the director's decision on the application if the

1 director deems a hearing necessary. The director shall, thirty days prior  
2 to the date of the hearing, give notice of the hearing to the applicant and  
3 to any person who filed a proper written objection to the issuance of the  
4 certificate. The hearing shall be scheduled for not less than sixty days nor  
5 more than ninety days after the expiration of the time in which to file  
6 objections.

7 D. Upon finding that an assured water supply exists for the proposed  
8 use, the director shall issue a certificate of assured water supply to the  
9 applicant. Upon finding that an assured water supply does not exist, the  
10 director shall deny the application and return it to the applicant.

11 E. An aggrieved party or a person who contested a certificate by  
12 filing a proper objection pursuant to subsection B of this section may seek  
13 judicial review of the final decision of the director as provided in section  
14 45-114, subsection B in the superior court.

15 F. If the application for a certificate of assured water supply is for  
16 ~~land in an active management area where an active management area water~~  
17 ~~district exists~~ THAT HAS QUALIFIED AS A MEMBER LAND under title 48, chapter  
18 28 22, when the application is determined to be complete and correct, the  
19 director shall ~~transmit a copy of the application to~~ NOTIFY the CONSERVATION  
20 district AND SHALL REPORT THE TOTAL PROJECTED ANNUAL REPLENISHMENT OBLIGATION  
21 FOR EACH PLAT UNDER THE CERTIFICATE.

22 G. Section 45-114, subsections A and B govern administrative  
23 proceedings, rehearing or review and judicial review of final decisions of  
24 the director under this section. If an administrative hearing is held, it  
25 shall be conducted in the active management area in which the use is located.

26 Sec. 5. Section 45-802.01, Arizona Revised Statutes, is amended to  
27 read:

28 45-802.01. Definitions

29 Unless the context otherwise requires, the terms defined in section  
30 45-402 have the same meanings in this chapter and:

31 1. "Aquifer" means a geologic formation that contains sufficient  
32 saturated material to be capable of storing water and transmitting water in  
33 usable quantities to a well.

34 2. "Area of impact" means, as projected on the land surface, the area  
35 where the stored water has migrated or is located.

36 3. "CERCLA" means the comprehensive environmental response,  
37 compensation, and liability act of 1980, as amended (P.L. 96-510; 94 Stat.  
38 2767; 42 United States Code sections 9601 through 9657), commonly known as  
39 "superfund".

40 4. "Constructed underground storage facility" means a facility that  
41 meets the requirements of section 45-811.01 and that is designed and  
42 constructed to store water underground pursuant to permits issued under this  
43 chapter.

44 5. "District" means a groundwater replenishment district established  
45 under title 48, chapter 27.

1           6. "District member" means a member of the groundwater replenishment  
2 district as provided by title 48, chapter 27.

3           7. "Electrical district" means a corporate body established pursuant  
4 to title 48, chapter 12.

5           8. "Groundwater savings facility" means a facility that meets the  
6 requirements of section 45-812.01 in an active management area or an  
7 irrigation non-expansion area at which groundwater withdrawals are eliminated  
8 or reduced by recipients who use in lieu water on a gallon-for-gallon  
9 substitute basis for groundwater that otherwise would have been pumped from  
10 within that active management area or irrigation non-expansion area.

11          9. "In lieu water" means water that is delivered by a storer to a  
12 groundwater savings facility pursuant to permits issued under this chapter  
13 and that is used in an active management area or an irrigation non-expansion  
14 area by the recipient on a gallon-for-gallon substitute basis for groundwater  
15 that otherwise would have been pumped from within that active management area  
16 or irrigation non-expansion area.

17          10. "Long-term storage account" means an account established pursuant  
18 to section 45-852.01.

19          11. "Long-term storage credit" means stored water that meets the  
20 requirements of section 45-852.01 and that has been credited to a long-term  
21 storage account.

22          12. "Managed underground storage facility" means a facility that meets  
23 the requirements of section 45-811.01 and that is designed and managed to  
24 utilize the natural channel of a stream to store water underground pursuant  
25 to permits issued under this chapter through artificial and controlled  
26 releases of water other than surface water naturally present in the stream.  
27 Surface water flowing in its natural channel is not a managed underground  
28 storage facility.

29          13. "Master replenishment account" means an account established  
30 pursuant to section 45-858.01 for a groundwater replenishment district.

31          14. "Recipient" means a person who receives in lieu water for use at  
32 a groundwater savings facility.

33          15. "Recoverable amount" means the amount of water, as determined by  
34 the director, that will reach the aquifer through water storage.

35          16. "Replenishment" means the storage of water or use of long-term  
36 storage credits by a groundwater replenishment district to fulfill its duties  
37 under title 48, chapter 27, article 3, by a multi-county water conservation  
38 district to fulfill its duties under title 48, chapter 22, article 4 or by  
39 an active management area water district to fulfill its duties under title  
40 48, chapter 28, article 7.

41          17. "RESERVE TARGET" HAS THE SAME MEANING PRESCRIBED IN SECTION  
42 48-3701.

43          18. "Storage facility" means a groundwater savings facility or an  
44 underground storage facility.

1       ~~18.~~ 19. "Stored water" means water that has been stored or saved  
2 underground pursuant to a storage permit issued under this chapter.

3       ~~19.~~ 20. "Storer" means the holder of a water storage permit issued  
4 pursuant to section 45-831.01 or a person to whom a water storage permit has  
5 been conveyed pursuant to section 45-831.01, subsection F.

6       ~~20.~~ 21. "Underground storage facility" means a constructed underground  
7 storage facility or a managed underground storage facility.

8       ~~21.~~ 22. "Water that cannot reasonably be used directly" means water  
9 that the storer cannot reasonably put to a direct use during the calendar  
10 year, including:

11       (a) Except as provided in subdivision (b) ~~of this paragraph~~, if the  
12 storer is a municipal provider, the amount of central Arizona project water  
13 that exceeds the amount of mined groundwater withdrawn during the calendar  
14 year by the storer in the active management area in which the storer's  
15 service area is located. If the storer withdrew mined groundwater during a  
16 calendar year in which the storer stored central Arizona project water  
17 underground pursuant to the storage permit, the amount of central Arizona  
18 project water stored underground during that year equal to the amount of  
19 mined groundwater withdrawn from the active management area in which the  
20 storer's service area is located shall not be credited to the storer's  
21 long-term storage account but may be considered as being available for  
22 recovery by the storer on an annual basis under section 45-851.01. In  
23 calculating the amount of mined groundwater withdrawn by the storer from the  
24 active management area, the director, at the request of the storer, shall  
25 exclude any groundwater withdrawn, treated and delivered for direct use as  
26 part of a remedial action undertaken pursuant to CERCLA or title 49, chapter  
27 2, article 5. For the purposes of this subdivision, "mined groundwater" and  
28 "municipal provider" have the same meanings as prescribed by IN section  
29 45-561.

30       (b) If the storer is a municipal provider that has been designated as  
31 having an assured water supply pursuant to section 45-576, the amount of  
32 central Arizona project water that exceeds the amount of deficit groundwater  
33 withdrawn during the calendar year by the storer in the active management  
34 area in which the storer's service area is located. If the storer withdrew  
35 deficit groundwater during a calendar year in which the storer stored central  
36 Arizona project water underground pursuant to the storage permit, the amount  
37 of the central Arizona project water stored underground during that year  
38 equal to the amount of deficit groundwater withdrawn from the active  
39 management area in which the storer's service area is located shall not be  
40 credited to the storer's long-term storage account but may be considered as  
41 being available for recovery by the storer on an annual basis pursuant to  
42 section 45-851.01. In calculating the amount of deficit groundwater  
43 withdrawn by the storer from the active management area, the director, at the  
44 request of the storer, shall exclude any groundwater withdrawn, treated and  
45 delivered for direct use as part of a remedial action undertaken pursuant to

1 CERCLA or title 49, chapter 2, article 5. For the purposes of this  
2 subdivision, "municipal provider" has the same meaning as prescribed by IN  
3 section 45-561 and "deficit groundwater" means that amount of groundwater  
4 withdrawn within an active management area for delivery and use within a  
5 service area by a municipal provider in excess of the amount of groundwater  
6 that may be withdrawn by the municipal provider consistent with the  
7 achievement of the active management area's management goals as prescribed  
8 by rules adopted by the director pursuant to section 45-576.

9 (c) If the storer is not a municipal provider, the amount of central  
10 Arizona project water stored in an active management area that exceeds the  
11 amount of groundwater withdrawn during the calendar year by the storer in  
12 that active management area. If the storer withdrew groundwater in an active  
13 management area during a calendar year in which the storer stored central  
14 Arizona project water underground in that active management area pursuant to  
15 the storage permit, the amount of central Arizona project water stored  
16 underground during that year equal to the amount of groundwater withdrawn  
17 from the active management area shall not be credited to the storer's  
18 long-term storage account but may be considered as being available for  
19 recovery by the storer on an annual basis under section 45-851.01. In  
20 calculating the amount of groundwater withdrawn by the storer from the active  
21 management area, the director, at the request of the storer, shall exclude  
22 any groundwater withdrawn, treated and delivered for direct use as part of  
23 a remedial action undertaken pursuant to CERCLA or title 49, chapter 2,  
24 article 5. For the purposes of this subdivision, "municipal provider" has  
25 the same meaning as prescribed by IN section 45-561.

26 (d) Surface water made available by dams constructed or modified after  
27 August 13, 1986.

28 (e) Until the year 2025:

29 (i) Effluent.

30 (ii) If the storage facility is in an active management area, water  
31 from outside the active management area that would not have reached the  
32 active management area without the efforts of the storer.

33 (iii) If the storage facility is outside of an active management area,  
34 water from outside the groundwater basin in which the storage facility is  
35 located that would not have reached the groundwater basin without the efforts  
36 of the storer.

37 (f) Water THAT IS delivered through the central Arizona project AND  
38 that is acquired by the Arizona water banking authority.

39 ~~22.~~ 23. "Water storage" means adding water to an aquifer or saving  
40 water in an aquifer pursuant to permits issued under this chapter.

41 ~~23.~~ 24. "Water storage permit" means a permit issued pursuant to  
42 section 45-831.01 to store water at a storage facility.



1       Sec. 6. Section 45-859.01, Arizona Revised Statutes, is amended to  
2 read:

3       45-859.01. Conservation district account; replenishment reserve  
4               subaccount; debits and credits

5       A. The director shall establish a long-term storage account and a  
6 conservation district account for each active management area in which a  
7 member land or member service area is or may be located. THE DIRECTOR SHALL  
8 ESTABLISH A REPLENISHMENT RESERVE SUBACCOUNT WITHIN THE LONG-TERM STORAGE  
9 ACCOUNT FOR EACH ACTIVE MANAGEMENT AREA IN WHICH A MEMBER LAND OR MEMBER  
10 SERVICE AREA IS OR MAY BE LOCATED.

11       B. For each reporting year, the groundwater replenishment obligation  
12 as defined in section 48-3701 for each active management area shall be  
13 debited from the conservation district account for that active management  
14 area.

15       C. For each reporting year, the contract replenishment obligation as  
16 defined in section 48-3701 for each active management area shall be debited  
17 from the conservation district account for that active management area.

18       D. On application by a conservation district to the director, credits  
19 in the conservation district's long-term storage account for an active  
20 management area, including credits earned through the use of excess capacity  
21 of each project permitted under article 6 of this chapter, shall be  
22 transferred and credited to its conservation district account for the same  
23 active management area.

24       E. AFTER JANUARY 1, 2030, ON APPLICATION BY A CONSERVATION DISTRICT  
25 TO THE DIRECTOR, CREDITS IN THE CONSERVATION DISTRICT'S REPLENISHMENT RESERVE  
26 SUBACCOUNT FOR AN ACTIVE MANAGEMENT AREA SHALL BE TRANSFERRED AND CREDITED  
27 TO ITS CONSERVATION DISTRICT ACCOUNT FOR THE SAME ACTIVE MANAGEMENT AREA,  
28 EXCEPT THAT ANY SUCH TRANSFER THAT WOULD CAUSE THE BALANCE IN THE  
29 REPLENISHMENT RESERVE SUBACCOUNT FOR AN ACTIVE MANAGEMENT AREA TO FALL BELOW  
30 TWENTY-FIVE PER CENT OF THE RESERVE TARGET FOR THAT ACTIVE MANAGEMENT AREA  
31 SHALL BE SUBJECT TO THE APPROVAL OF THE DIRECTOR.

32       ~~E.~~ F. For each reporting year, the director shall credit the  
33 conservation district's conservation district account by the amount of water  
34 stored by the conservation district during the reporting year, if the  
35 conservation district has requested the director to credit the stored water  
36 directly to its conservation district account and the stored water would  
37 otherwise be eligible for credits in a long-term storage account.

38       G. FOR EACH REPORTING YEAR, THE DIRECTOR SHALL CREDIT THE CONSERVATION  
39 DISTRICT'S REPLENISHMENT RESERVE SUBACCOUNT FOR EACH ACTIVE MANAGEMENT AREA  
40 BY THE AMOUNT OF LONG-TERM STORAGE CREDITS DEVELOPED BY THE CONSERVATION  
41 DISTRICT IN THAT ACTIVE MANAGEMENT AREA DURING THE REPORTING YEAR USING  
42 MONIES COLLECTED PURSUANT TO SECTION 48-3772, SUBSECTION E.

43       ~~F.~~ H. By October 31 of each year, the director shall determine  
44 whether the conservation district has completed the groundwater replenishment  
45 obligation for each active management area as prescribed by section 48-3771.

1        ~~6-~~ I. Credits in a conservation district account may not be assigned  
2 or transferred out of the conservation district account.

3        Sec. 7. Section 45-871.01, Arizona Revised Statutes, is amended to  
4 read:

5        45-871.01. Permit application; fee; notice of application;  
6                                    objections; hearing; appeal

7        A. The director shall prescribe and furnish application forms for the  
8 permits prescribed by articles 2 and 3 of this chapter. The application  
9 forms shall require the applicant to submit the information needed by the  
10 director to determine whether the permit may be issued. The director shall  
11 establish and collect a reasonable fee from the applicant to cover the cost  
12 of administrative services and other expenses associated with evaluating and  
13 issuing each permit. All fees collected pursuant to this subsection shall  
14 be remitted pursuant to section 45-615, paragraph 1.

15        B. On receipt of an application for a permit pursuant to this chapter,  
16 the director shall endorse on the application the date of its receipt and  
17 shall keep a record of the application. The director shall conduct a review  
18 of the application within one hundred days of receipt of the application. If  
19 the director determines in the review that the application is incomplete or  
20 incorrect, the director shall notify the applicant and the review period is  
21 extended by fifteen days. The application is incomplete or incorrect until  
22 the applicant files the information requested in the application. The  
23 director may conduct independent investigations as necessary to determine  
24 whether the application should be approved or rejected.

25        C. If the application is for water storage at an underground storage  
26 facility that is exempt from the requirement for an aquifer protection permit  
27 under section 49-250, subsection B, paragraph 12, 13 or 24, the director of  
28 water resources shall consult with the director of environmental quality and  
29 shall develop a coordinated and unified permit review process, which THAT  
30 conforms to the time schedule prescribed by this section, to determine  
31 whether the permit application is correct and whether the development of a  
32 plan of action for monitoring and data analysis shall be required.

33        D. Except as provided in subsection E of this section, if the  
34 application is determined to be complete and correct and the application is  
35 for a storage facility permit or a water storage permit, the director, within  
36 fifteen days of that determination or a longer period if requested by the  
37 applicant, shall give notice of the application once each week for two  
38 consecutive weeks in a newspaper of general circulation in the county or  
39 counties in which persons reside who could reasonably be expected to be  
40 affected by the water storage. The director shall also give notice by first  
41 class mail to each city, town, private water company, CONSERVATION DISTRICT,  
42 irrigation district and electrical district that serves land within the area  
43 of impact of the stored water. The notice shall state that persons who may  
44 be adversely affected by the water storage may file written objections to the  
45 issuance of the permit with the director for fifteen days after the last

1 publication of notice. An objection shall state the name and mailing address  
2 of the objector, shall be signed by the objector or the objector's agent or  
3 attorney and shall clearly set forth the reasons why the permit should not  
4 be issued. The grounds for objection are limited to whether the application  
5 meets the criteria for issuing the permit being requested as prescribed by  
6 articles 2 and 3 of this chapter.

7 E. If the application is determined to be complete and correct and the  
8 application is for a water storage permit to store Colorado river water at  
9 a storage facility where storage of Colorado river water has previously been  
10 permitted, the director may issue the permit within twenty days of that  
11 determination if all of the following apply:

12 1. The holder of the storage facility permit with which the water  
13 storage permit will be affiliated has consented to the water storage.

14 2. The water storage permit will not require a modification of an  
15 affiliated water storage facility permit.

16 3. Colorado river water will be the only type of water stored under  
17 the water storage permit.

18 4. The applicant has the right to use the Colorado river water.

19 F. Except as provided in section 45-834.01, subsection D, if the  
20 application is determined to be complete and correct and the application is  
21 for a recovery well permit, the director, within fifteen days of the  
22 determination or a longer period if requested by the applicant, shall give  
23 notice of the application once each week for two consecutive weeks in a  
24 newspaper of general circulation in the county in which the applicant  
25 proposes to recover stored water. If the application is for a well located  
26 inside of or within three miles of the exterior boundaries of the service  
27 area of a city, town, private water company or irrigation district, the  
28 applicant shall give notice of the application by first class mail to each  
29 city, town, private water company or irrigation district within that  
30 distance. The applicant shall file proof of the notice with the director.  
31 The notice shall state that persons who may be adversely affected by the  
32 recovery well may file written objections to the issuance of the permit with  
33 the director for fifteen days after the last publication of notice. An  
34 objection shall state the name and mailing address of the objector, shall be  
35 signed by the objector or the objector's agent or attorney and shall clearly  
36 set forth reasons why the permit should not be issued. The grounds for  
37 objection are limited to whether the application meets the criteria for  
38 issuing a recovery well permit as set forth in section 45-834.01,  
39 subsection B. For the purposes of this subsection, if the proposed recovery  
40 well is located within three miles outside of the exterior boundaries of the  
41 service area of a city, town, private water company or irrigation district,  
42 a city, town, private water company or irrigation district within that  
43 distance shall be considered a person who may be adversely affected by the  
44 recovery well.

1           G. In appropriate cases, including cases in which a proper objection  
2 to the permit application has been filed, an administrative hearing may be  
3 held before the director's decision on the application if the director deems  
4 a hearing necessary. At least thirty days before the hearing, the director  
5 shall notify the applicant and any person who filed a proper objection to the  
6 issuance of the permit. The hearing shall be scheduled for at least sixty  
7 days but not more than ninety days after the expiration of the time in which  
8 to file objections.

9           H. If a hearing is not held, the director shall issue a decision and  
10 order within six months of the date notice of the application is first given  
11 pursuant to subsection D or F of this section, or within ninety days in the  
12 case of an application under article 6 of this chapter. The director shall  
13 record and endorse the approval or rejection of the application on the  
14 application. If the permit is denied, the director shall return a copy of  
15 the application to the applicant specifically stating the reasons for denial.

16           I. The applicant or any person who filed a proper objection to the  
17 application may seek judicial review of the final decision of the director  
18 as provided in section 45-114, subsection B in superior court as provided in  
19 section 45-405.

20           J. Section 45-114, subsections A and B govern administrative  
21 proceedings, rehearings or review and judicial review of final decisions of  
22 the director under this section. If an administrative hearing is held, it  
23 shall be conducted in the active management area in which the storage or  
24 recovery is located.

25           K. On receipt of an application for a permit pursuant to this section,  
26 the director shall provide written notice of the proposed permit to the city,  
27 town or county that has land use jurisdiction over the site that is the  
28 subject of the permit. The notice shall be given at the same time and in the  
29 same manner as the notices prescribed by subsections D and F OF THIS SECTION  
30 in order to provide the city, town or county with the opportunity to comment  
31 on the proposed facility's or well's compliance with site planning and  
32 operational requirements of the city, town or county. This subsection shall  
33 not be construed to limit the exclusive authority of the director to  
34 determine the issuance of the permit or the site of the facility or well or  
35 to reduce the authority of the city, town or county to enforce its applicable  
36 ordinances governing site planning and operational requirements.

37           Sec. 8. Section 45-877.01, Arizona Revised Statutes, is amended to  
38 read:

39           45-877.01. Annual reports by conservation districts; penalties

40           A. Each conservation district shall file an annual report with the  
41 director that includes for each active management area in which a member land  
42 or member service area is or may be located:

43           1. The total amount of water that was stored by the conservation  
44 district during the reporting year pursuant to each water storage permit  
45 issued to it under this chapter.

1           2. The amount of water stored by the conservation district during the  
2 reporting year to be credited to the conservation district's conservation  
3 district account.

4           3. The amount of water stored by the conservation district during the  
5 reporting year to be credited to the conservation district's long-term  
6 storage account.

7           4. THE AMOUNT OF WATER STORED BY THE CONSERVATION DISTRICT DURING THE  
8 REPORTING YEAR TO BE CREDITED TO THE CONSERVATION DISTRICT'S REPLENISHMENT  
9 RESERVE SUBACCOUNT.

10          ~~4.~~ 5. The amount of long-term storage credits the conservation  
11 district has transferred and credited to its conservation district account  
12 during the reporting year.

13          ~~5.~~ 6. The groundwater replenishment obligation as defined in section  
14 48-3701 for the reporting year.

15          ~~6.~~ 7. The contract replenishment obligation as defined in section  
16 48-3701 for the reporting year.

17          ~~7.~~ 8. The information required under section 48-3775.

18          ~~8.~~ 9. Other information as the director may require.

19          B. The annual report required under subsection A of this section shall  
20 be maintained on a calendar year basis and shall be filed with the director  
21 no later than August 31 of each year for the preceding calendar year, which  
22 is the reporting year.

23          C. If the conservation district fails to file the report when due, the  
24 director may assess and collect a penalty of up to one hundred dollars for  
25 each day the annual report is delinquent. The director shall deposit,  
26 pursuant to sections 35-146 and 35-147, all penalties collected pursuant to  
27 this subsection in the state general fund.

28          D. If a municipal provider as defined in section 48-3701 does not  
29 timely file the annual report required by section 48-3775, the director may  
30 assess and collect a penalty of up to one thousand dollars for each day the  
31 annual report is delinquent. The director shall deposit, pursuant to  
32 sections 35-146 and 35-147, all penalties collected pursuant to this  
33 subsection in the state general fund.

34          Sec. 9. Section 45-2427, Arizona Revised Statutes, is amended to read:  
35 45-2427. Limitation on powers

36          A. This chapter does not authorize the authority to exercise any right  
37 of eminent domain.

38          B. The authority shall not store Colorado river water that would  
39 otherwise have been used in this state PURSUANT TO A CONTRACT ENTERED INTO  
40 PURSUANT TO SECTION 48-3703, PARAGRAPH 2, A SECTION 5 CONTRACT UNDER THE  
41 BOULDER CANYON PROJECT ACT (P.L. 108-6; 43 UNITED STATES CODE SECTION 617)  
42 WITH A PRIORITY THAT IS EQUAL TO OR HIGHER THAN A CONTRACT ENTERED INTO  
43 PURSUANT TO SECTION 48-3703, PARAGRAPH 2 OR ANY OTHER SECTION 5 CONTRACT  
44 UNDER THE BOULDER CANYON PROJECT ACT ENTERED INTO BEFORE THE EFFECTIVE DATE  
45 OF THIS AMENDMENT TO THIS SECTION. THE AUTHORITY SHALL NOT STORE FOR

1 INTERSTATE WATER BANKING PURPOSES COLORADO RIVER WATER THAT WOULD OTHERWISE  
2 HAVE BEEN USED IN THIS STATE.

3 C. The authority shall not enter into contracts with agencies in  
4 California and Nevada for the storage of water on their behalf until both of  
5 the following occur:

6 1. Regulations are in effect, promulgated by the secretary of the  
7 interior of the United States, that facilitate and allow the contractual  
8 distribution of unused entitlement under article II(b)(6) of the decree.

9 2. The director finds that the rules promulgated by the secretary of  
10 the interior adequately protect this state's rights to Colorado river water,  
11 as those rights are defined by the decree.

12 D. The authority shall not enter into water banking services  
13 agreements that will provide water for use outside this state. The authority  
14 may cancel any water banking services agreement without penalty or further  
15 obligation if after entering into a water banking services agreement, the  
16 authority finds that the agreement will provide water for use outside of this  
17 state. Notice of this subsection shall be included in every water banking  
18 services agreement entered into by the authority. The cancellation under  
19 this subsection shall be effective when written notice from the authority is  
20 received by all other parties to the water banking services agreement.

21 Sec. 10. Section 48-3701, Arizona Revised Statutes, is amended to  
22 read:

23 48-3701. Definitions

24 In this chapter, unless the context otherwise requires:

25 1. "Active management area" means an active management area  
26 established under title 45, chapter 2, article 2.

27 2. "Board" means the board of directors of a multi-county water  
28 conservation district.

29 3. "Contract replenishment obligation" means an amount of groundwater  
30 that the district contracts to replenish in a year on behalf of a municipal  
31 provider pursuant to a contract authorized under section 48-3772, subsection  
32 B, paragraph 9.

33 4. "Credits" means any groundwater in addition to the amount of  
34 groundwater that may be used at a member land or delivered within a member  
35 service area for use within the member service area pursuant to the  
36 applicable assured water supply rules adopted by the department of water  
37 resources.

38 5. "Declaration" means an instrument recorded against real property  
39 and conforming to the requirements prescribed by section 48-3774, subsection  
40 A, paragraph 5.

41 6. "District" means a multi-county water conservation district  
42 organized under the authority of this chapter.

43 7. "Excess groundwater" means an amount of groundwater equal to that  
44 amount of groundwater delivered to a member land in a calendar year or  
45 delivered within a member service area by the municipal provider for that

1 member service area in a calendar year in excess of the amount of groundwater  
2 that may be used at the member land in that calendar year or that may be  
3 delivered by the municipal provider for use within the member service area  
4 in that calendar year and consistent with the applicable assured water supply  
5 rules adopted by the department of water resources for the active management  
6 area where the member land or the member service area is located.

7 8. "EXCESS GROUNDWATER INCREMENT" MEANS THE AMOUNT BY WHICH EXCESS  
8 GROUNDWATER REPORTED FOR A MEMBER SERVICE AREA UNDER SECTION 48-3775,  
9 SUBSECTION B IN ANY YEAR EXCEEDS THE MAXIMUM AMOUNT OF EXCESS GROUNDWATER  
10 REPORTED FOR THAT MEMBER SERVICE AREA IN ANY PRIOR YEAR.

11 ~~8.~~ 9. "Groundwater replenishment obligation" means, for each active  
12 management area in which member lands or member service areas are or may be  
13 located, the total of the cumulative parcel replenishment obligation of all  
14 parcels of member land in that active management area for a particular  
15 calendar year plus the cumulative service area replenishment obligation of  
16 all member service areas in that active management area for a particular  
17 calendar year.

18 ~~9.~~ 10. "Member land" means any real property that meets the  
19 requirements of section 48-3774.

20 ~~10.~~ 11. "Member service area" means the service area of a municipal  
21 provider that qualifies as a member service area under section 48-3780,  
22 including any additions to or extensions of the service area.

23 ~~11.~~ 12. "Multi-county water conservation district" means a district  
24 composed of three or more counties which THAT have joined together for the  
25 creation of a district.

26 ~~12.~~ 13. "Municipal provider" means a city, town or private water  
27 company or an irrigation district that supplies water for non-irrigation use.

28 ~~13.~~ 14. "Parcel of member land" means any portion of member land for  
29 which the tax assessor for the county in which the member land is located has  
30 issued a separate county parcel number.

31 ~~14.~~ 15. "Parcel replenishment obligation" means, with respect to any  
32 particular parcel of member land, an amount of groundwater that is equal to  
33 the amount of groundwater delivered to the parcel of member land in a  
34 calendar year multiplied by the percentage that the excess groundwater of the  
35 applicable member land for that year bears to the total amount of groundwater  
36 delivered to the applicable member land during that year.

37 ~~15.~~ 16. "Population" means the population determined in the most  
38 recent United States decennial census.

39 ~~16.~~ 17. "Private water company" has the same meaning prescribed in  
40 section 45-402.

41 ~~17.~~ 18. "Replenish" means to increase the amount of groundwater in an  
42 aquifer through water storage pursuant to title 45, chapter 3.1 for the  
43 purpose of meeting the obligations of article 4 of this chapter.

19. "RESERVE TARGET" MEANS, FOR EACH ACTIVE MANAGEMENT AREA, TWENTY TIMES THE SUM OF THE DISTRICT'S TOTAL PROJECTED ANNUAL REPLENISHMENT OBLIGATIONS, AS REPORTED BY THE DIRECTOR OF WATER RESOURCES PURSUANT TO SECTIONS 45-576, SUBSECTION F AND 45-578, SUBSECTION F, FOR ALL PARCELS OF CATEGORY 1 MEMBER LAND AS PRESCRIBED IN SECTION 48-3774.01 AND ALL MEMBER SERVICE AREAS IN THAT ACTIVE MANAGEMENT AREA. RESERVE TARGET DOES NOT INCLUDE REPLENISHMENT OBLIGATIONS UNDER RESOLUTIONS ADOPTED PURSUANT TO SECTION 48-3772, SUBSECTION B, PARAGRAPH 10 OR REPLENISHMENT OBLIGATIONS THAT WILL BE MET USING WATER SUPPLIES THAT ARE CURRENTLY HELD BY THE DISTRICT AND THAT ARE DETERMINED BY THE DIRECTOR OF WATER RESOURCES TO BE CONSISTENT WITH ASSURED WATER SUPPLY REQUIREMENTS PURSUANT TO SECTION 45-576.

~~18:~~ 20. "Resolution" means a resolution adopted by the governing body of a city or town, by the board of directors of a private water company that is a corporation, by the general partners of a private water company that is a partnership or by the individual owners of a private water company that is individually owned.

~~19.~~ 21. "Secretary" means the secretary of the interior of the United States of America.

~~20.~~ 22. "Service area" has the same meaning prescribed in section 45-402.

~~21.~~ 23. "Service area replenishment obligation" means, with respect to any particular member service area, the excess groundwater of that member service area in a particular calendar year reduced by the replenishment credits, if any, applied by the municipal provider with respect to the member service area under section 48-3772, subsection ~~F~~ H.

~~22.~~ 24. "Water storage" has the same meaning prescribed in section 45-802.01.

Sec. 11. Section 48-3710, Arizona Revised Statutes, is amended to read:

48-3710. Organization of board; oath; Arizona water banking authority

A. Not later than thirty days after appointment of the initial board, and after each election for directors, the board shall meet and select a president, vice-president and a secretary from its membership. Each director shall qualify by taking and subscribing an official oath of office as prescribed by title 38, ~~and executing a bond to the state in an amount of ten thousand dollars conditioned for the faithful performance of the duties of his office.~~

B. The president of the board shall serve or appoint a representative to serve on the Arizona water banking authority commission. If the president appoints a representative, that representative shall serve on the Arizona water banking authority commission until removed by the president.



1       Sec. 12. Section 48-3713, Arizona Revised Statutes, as amended by Laws  
2       2000, chapter 142, section 2, is amended to read:

3       48-3713. Powers of district

4       A. The district, acting through its board, shall:

5       1. Enter into a contract or contracts with the secretary to accomplish  
6       the purposes of this chapter.

7       2. Provide for the repayment of construction costs, interest and  
8       annual operation, maintenance and replacement costs allocated to the district  
9       and payment of administrative costs and expenses of the district.

10       3. Levy an annual tax to defray district costs and expenses and to  
11       effect repayment of a portion of the district's obligation to the United  
12       States. Such tax levy shall not exceed ten cents per each one hundred  
13       dollars of assessed valuation of the taxable property within the district.

14       4. Establish and cause to be collected charges for water consistent  
15       with federal reclamation law and contracts entered into between the district  
16       and the secretary pursuant to this chapter.

17       5. Cooperate and contract with the secretary to carry out the  
18       provisions of the reclamation act of June 17, 1902 (32 Stat. 388), and acts  
19       amendatory thereof or supplementary thereto, including the Colorado river  
20       basin project act (82 Stat. 885).

21       6. Establish and maintain reserve accounts in amounts which may be  
22       required by any contract between the district and the secretary and in such  
23       additional amounts as may be deemed necessary to accomplish the purposes of  
24       this chapter.

25       7. Coordinate and cooperate with the Arizona water banking authority.

26       B. The district, acting through its board, may:

27       1. Contract with the United States to be the operating agent of the  
28       central Arizona project and to maintain all or portions of the project and  
29       subcontract with others for the operation or maintenance of portions of the  
30       project.

31       2. Acquire in any lawful manner real and personal property of every  
32       kind necessary or convenient for the uses and purposes of the district.

33       3. Acquire electricity or other forms of energy necessary for the  
34       operation of the central Arizona project.

35       4. Contract for or perform feasibility studies of water storage,  
36       storage facilities and recovery wells.

37       5. Acquire, develop, construct, operate, maintain and acquire permits  
38       for water storage, storage facilities and recovery wells pursuant to title  
39       45, chapter 3.1 using surplus central Arizona project water.

40       6. Enter into contracts to acquire, permit, develop, construct,  
41       operate and maintain water storage, storage facilities and recovery wells  
42       with any person pursuant to title 45, chapter 3.1. Such projects may utilize  
43       water, including central Arizona project water, which such persons have the  
44       right to store pursuant to title 45, chapter 3.1.

1           7. Plan, analyze, propose, apply for, construct, operate, maintain and  
2 dismantle state demonstration projects for water storage and recovery under  
3 title 45, chapter 3.1, article 6.

4           8. Acquire real property for state demonstration projects for water  
5 storage and recovery under title 45, chapter 3.1 by purchase, lease,  
6 donation, dedication, exchange, CONDEMNATION AS PRESCRIBED BY SECTION 48-3719  
7 or other lawful means in areas suitable for demonstration projects for water  
8 storage and recovery of state water in counties in which the district has  
9 water transportation facilities.

10          9. Advance monies necessary for the installation, construction,  
11 repair, maintenance or replacement of capital improvements related to any  
12 water storage, storage facilities and recovery wells or any other  
13 replenishment activities of the district undertaken pursuant to article 4 of  
14 this chapter. Monies advanced under this paragraph bear interest as  
15 determined by the board. Repayment of the advances shall be amortized over  
16 the useful life of the capital improvements, as determined by the board.  
17 Utilization of excess capacity in a state demonstration project for  
18 replenishment purposes pursuant to section 48-3772, subsection B, paragraph  
19 8 does not constitute the advancement of monies under this paragraph.

20          10. Advance monies for the payment of the operation and administrative  
21 costs and expenses of the district relating to performance of the groundwater  
22 replenishment obligations under article 4 of this chapter, INCLUDING  
23 REPLENISHMENT RESERVE ACTIVITIES and including reasonable reserves. Monies  
24 advanced under this paragraph shall bear interest as determined by the board.  
25 Repayment of the advances may be amortized over a reasonable period, as  
26 determined by the board.

27          11. Assign to the account of the district at fair value long-term  
28 storage credits, as defined in section 45-802.01, held by the district.

29          12. Provide technical and operational support to the Arizona water  
30 banking authority and shall be reimbursed by the Arizona water banking  
31 authority for providing that support.

32          13. Appoint certain employees of the district as peace officers only  
33 for purposes of providing law enforcement on property which is under the  
34 control of the district. The district shall not have any more than ten  
35 employees designated as peace officers at any one time.

36          14. EXCEPT FOR ELECTRIC CAPACITY AND ENERGY ALLOCATED TO THE ARIZONA  
37 POWER AUTHORITY UNDER THE HOOVER POWER PLANT ACT OF 1984 (P.L. 98-381; 98  
38 STAT. 1333), SELL, RESELL, DELIVER OR DISTRIBUTE ELECTRICITY OR OTHER FORMS  
39 OF ENERGY ACQUIRED BY THE DISTRICT FOR PURPOSES OF OPERATING THE CENTRAL  
40 ARIZONA PROJECT BUT NOT NEEDED BY THE DISTRICT FOR SUCH PURPOSES, EXCEPT THAT  
41 THE DISTRICT MAY NOT SELL, RESELL, DELIVER OR DISTRIBUTE ELECTRICITY TO A  
42 RETAIL ELECTRIC CUSTOMER AS DEFINED IN SECTION 30-801.

1 C. The authority granted under title 45, chapter 3.1, article 6 does  
2 not authorize the district to withdraw and use groundwater that exists  
3 naturally in the basin in which the stored water is located. The authority  
4 provided in subsection B, paragraph 7 of this section is in addition to and  
5 distinct from any authority granted to the district by subsection B,  
6 paragraphs 5 and 6 of this section.

7 D. The functions of the district under subsection B, paragraph 5 of  
8 this section may be performed on behalf of the district by other persons  
9 under contract with the district.

10 E. The district may enter into and carry out subcontracts with water  
11 users for the delivery of water through the facilities of the central Arizona  
12 project. Such contracts as may be entered into between the district and the  
13 secretary and between the district and water users shall be subject to the  
14 provisions of the Colorado river basin project act (P.L. 90-537; 82 Stat.  
15 885). Before entering into such contracts the district shall determine that  
16 the proposed contract or proposed amendment, and all related exhibits and  
17 agreements, have been submitted to the director OF WATER RESOURCES as  
18 required by section 45-107, subsection D.

19 ~~F. The district may not sell, resell, deliver or distribute~~  
20 ~~electricity to others.~~ The district may, in conjunction with any other  
21 marketing entity or entities, be a marketing entity under section 107 of the  
22 Hoover power plant act of 1984 (P.L. 98-381; 98 Stat. 1333) solely for the  
23 limited purposes of establishing and collecting the additional rate  
24 components authorized by that act and may enter into contracts for that  
25 purpose. This subsection does not limit the authority of the district under  
26 subsection B, paragraph 3 of this section and does not prohibit the United  
27 States western area power administration or the Arizona power authority from  
28 making incidental disposition of power acquired by the district for purposes  
29 of operating the central Arizona project but not needed by the district for  
30 such purposes.

31 G. Persons who are appointed as peace officers by the district  
32 pursuant to subsection B of this section shall provide law enforcement on the  
33 property which is under the control of the district. District peace officers  
34 shall not preempt the authority and jurisdiction of other police agencies of  
35 this state or its political subdivisions. A district peace officer shall  
36 notify appropriate agencies of this state and its political subdivisions  
37 after making a felony arrest or beginning a felony investigation within the  
38 jurisdiction of that agency. District peace officers shall have at least  
39 those qualifications prescribed by section 41-1822 and are not eligible to  
40 participate in the public safety personnel retirement system. The district  
41 is not eligible to receive funds from the peace officers OFFICERS' training  
42 fund specified in section 41-1825. The district shall reimburse the Arizona  
43 peace officer standards and training board for all training expenses incurred  
44 by the board for the district and all audit expenses incurred by the board

1 in reviewing compliance by the district with peace officer standards and law  
2 enforcement standards established by the board.

3 Sec. 13. Section 48-3713, Arizona Revised Statutes, as amended by Laws  
4 2000, chapter 142, section 3, is amended to read:

5 48-3713. Powers of district

6 A. The district, acting through its board, shall:

7 1. Enter into a contract or contracts with the secretary to accomplish  
8 the purposes of this chapter.

9 2. Provide for the repayment of construction costs, interest and  
10 annual operation, maintenance and replacement costs allocated to the district  
11 and payment of administrative costs and expenses of the district.

12 3. Levy an annual tax to defray district costs and expenses and to  
13 effect repayment of a portion of the district's obligation to the United  
14 States. Such tax levy shall not exceed ten cents per each one hundred  
15 dollars of assessed valuation of the taxable property within the district.

16 4. Establish and cause to be collected charges for water consistent  
17 with federal reclamation law and contracts entered into between the district  
18 and the secretary pursuant to this chapter.

19 5. Cooperate and contract with the secretary to carry out the  
20 provisions of the reclamation act of June 17, 1902 (32 Stat. 388), and acts  
21 amendatory thereof or supplementary thereto, including the Colorado river  
22 basin project act (82 Stat. 885).

23 6. Establish and maintain reserve accounts in amounts which may be  
24 required by any contract between the district and the secretary and in such  
25 additional amounts as may be deemed necessary to accomplish the purposes of  
26 this chapter.

27 7. Coordinate and cooperate with the Arizona water banking authority.

28 B. The district, acting through its board, may:

29 1. Contract with the United States to be the operating agent of the  
30 central Arizona project and to maintain all or portions of the project and  
31 subcontract with others for the operation or maintenance of portions of the  
32 project.

33 2. Acquire in any lawful manner real and personal property of every  
34 kind necessary or convenient for the uses and purposes of the district.

35 3. Acquire electricity or other forms of energy necessary for the  
36 operation of the central Arizona project.

37 4. Contract for or perform feasibility studies of water storage,  
38 storage facilities and recovery wells.

39 5. Acquire, develop, construct, operate, maintain and acquire permits  
40 for water storage, storage facilities and recovery wells pursuant to title  
41 45, chapter 3.1 using surplus central Arizona project water.

42 6. Enter into contracts to acquire, permit, develop, construct,  
43 operate and maintain water storage, storage facilities and recovery wells  
44 with any person pursuant to title 45, chapter 3.1. Such projects may utilize

1 water, including central Arizona project water, which such persons have the  
2 right to store pursuant to title 45, chapter 3.1.

3 7. Plan, analyze, propose, apply for, construct, operate, maintain and  
4 dismantle state demonstration projects for water storage and recovery under  
5 title 45, chapter 3.1, article 6.

6 8. Acquire real property for state demonstration projects for water  
7 storage and recovery under title 45, chapter 3.1 by purchase, lease,  
8 donation, dedication, exchange or other lawful means in areas suitable for  
9 demonstration projects for water storage and recovery of state water in  
10 counties in which the district has water transportation facilities.

11 9. Advance monies necessary for the installation, construction,  
12 repair, maintenance or replacement of capital improvements related to any  
13 water storage, storage facilities and recovery wells or any other  
14 replenishment activities of the district undertaken pursuant to article 4 of  
15 this chapter. Monies advanced under this paragraph bear interest as  
16 determined by the board. Repayment of the advances shall be amortized over  
17 the useful life of the capital improvements, as determined by the board.  
18 Utilization of excess capacity in a state demonstration project for  
19 replenishment purposes pursuant to section 48-3772, subsection B, paragraph  
20 8 does not constitute the advancement of monies under this paragraph.

21 10. Advance monies for the payment of the operation and administrative  
22 costs and expenses of the district relating to performance of the groundwater  
23 replenishment obligations under article 4 of this chapter, INCLUDING  
24 REPLENISHMENT RESERVE ACTIVITIES and including reasonable reserves. Monies  
25 advanced under this paragraph shall bear interest as determined by the board.  
26 Repayment of the advances may be amortized over a reasonable period, as  
27 determined by the board.

28 11. Assign to the account of the district at fair value long-term  
29 storage credits, as defined in section 45-802.01, held by the district.

30 12. Provide technical and operational support to the Arizona water  
31 banking authority and shall be reimbursed by the Arizona water banking  
32 authority for providing that support.

33 13. EXCEPT FOR ELECTRIC CAPACITY AND ENERGY ALLOCATED TO THE ARIZONA  
34 POWER AUTHORITY UNDER THE HOOVER POWER PLANT ACT OF 1984 (P.L. 98-381; 98  
35 STAT. 1333), SELL, RESELL, DELIVER OR DISTRIBUTE ELECTRICITY OR OTHER FORMS  
36 OF ENERGY ACQUIRED BY THE DISTRICT FOR PURPOSES OF OPERATING THE CENTRAL  
37 ARIZONA PROJECT BUT NOT NEEDED BY THE DISTRICT FOR SUCH PURPOSES, EXCEPT THAT  
38 THE DISTRICT MAY NOT SELL, RESELL, DELIVER OR DISTRIBUTE ELECTRICITY TO A  
39 RETAIL ELECTRIC CUSTOMER AS DEFINED IN SECTION 30-801.

40 C. The authority granted under title 45, chapter 3.1, article 6 does  
41 not authorize the district to withdraw and use groundwater that exists  
42 naturally in the basin in which the stored water is located. The authority  
43 provided in subsection B, paragraph 7 of this section is in addition to and  
44 distinct from any authority granted to the district by subsection B,  
45 paragraphs 5 and 6 of this section.

1 D. The functions of the district under subsection B, paragraph 5 of  
2 this section may be performed on behalf of the district by other persons  
3 under contract with the district.

4 E. The district may enter into and carry out subcontracts with water  
5 users for the delivery of water through the facilities of the central Arizona  
6 project. Such contracts as may be entered into between the district and the  
7 secretary and between the district and water users shall be subject to the  
8 provisions of the Colorado river basin project act (P.L. 90-537; 82 Stat.  
9 885). Before entering into such contracts the district shall determine that  
10 the proposed contract or proposed amendment, and all related exhibits and  
11 agreements, have been submitted to the director OF WATER RESOURCES as  
12 required by section 45-107, subsection D.

13 F. ~~The district may not sell, resell, deliver or distribute~~  
14 ~~electricity to others.~~ The district may, in conjunction with any other  
15 marketing entity or entities, be a marketing entity under section 107 of the  
16 Hoover power plant act of 1984 (P.L. 98-381; 98 Stat. 1333) solely for the  
17 limited purposes of establishing and collecting the additional rate  
18 components authorized by that act and may enter into contracts for that  
19 purpose. This subsection does not limit the authority of the district under  
20 subsection B, paragraph 3 of this section and does not prohibit the United  
21 States western area power administration or the Arizona power authority from  
22 making incidental disposition of power acquired by the district for purposes  
23 of operating the central Arizona project but not needed by the district for  
24 such purposes.

25 Sec. 14. Repeal

26 Section 48-3713, Arizona Revised Statutes, as amended by Laws 2000,  
27 chapter 145, section 1, is repealed.

28 Sec. 15. Section 48-3772, Arizona Revised Statutes, is amended to  
29 read:

30 48-3772. Duties and powers of district regarding replenishment

31 A. The district shall:

32 1. Establish annually the costs and expenses to replenish groundwater  
33 pursuant to this article with respect to all parcels of member lands and all  
34 member service areas located in each active management area, including  
35 capital expenses, and the operation, maintenance, replacement and  
36 administrative costs and expenses of the district, REPLENISHMENT RESERVE  
37 COSTS AND EXPENSES AS PROVIDED IN SUBSECTION E OF THIS SECTION and including  
38 reasonable reserves. Separate calculations of costs and expenses shall be  
39 made for each active management area in which member lands or member service  
40 areas are or may be located AND FOR EACH MEMBERSHIP CATEGORY. Costs and  
41 expenses attributed by the district to contract replenishment obligations  
42 shall not be included in this calculation THESE CALCULATIONS.

43 2. Provide for the payment of all costs and expenses to replenish  
44 groundwater pursuant to this chapter and the payment of operation,

1 maintenance, replacement and administrative costs and expenses of the  
2 district.

3 3. Levy an annual replenishment assessment against ~~all parcels~~ EACH  
4 PARCEL of member land PURSUANT TO SECTION 48-3778 and an annual replenishment  
5 tax against ~~all~~ EACH municipal providers PROVIDER that have HAS A member  
6 service areas ~~located in each active management area~~ PURSUANT TO SECTION  
7 48-3781 to pay the district's costs and expenses to replenish groundwater as  
8 established pursuant to paragraph 1 of this subsection. Separate  
9 calculations of the replenishment assessment ~~shall be made for each active~~  
10 ~~management area in which member lands are located based on the costs and~~  
11 ~~expenses of replenishment established for that active management area.~~

12 4. Levy a contract replenishment tax against municipal providers that  
13 are parties to contracts authorized under subsection B, paragraph 9 of this  
14 section to pay the district's costs and expenses to replenish groundwater  
15 based on contract replenishment obligations.

16 5. Establish and maintain reserve accounts in amounts as may be deemed  
17 necessary to perform the groundwater replenishment obligation.

18 6. Fulfill all obligations under resolutions adopted pursuant to  
19 subsection B, paragraph 10 of this section.

20 B. The district may:

21 1. Acquire, develop, construct, operate, maintain, replace and acquire  
22 permits for water storage, storage facilities and recovery wells for  
23 replenishment purposes.

24 2. Acquire, transport, hold, exchange, own, lease, store or replenish  
25 water, except groundwater withdrawn from an active management area, subject  
26 to the provisions of title 45, for the benefit of member lands and member  
27 service areas.

28 3. Acquire, hold, exchange, own, lease, retire or dispose of water  
29 rights for the benefit of member lands and member service areas.

30 4. Require municipal providers to provide such information, in such  
31 form and within the time limits prescribed by the district, as may be  
32 necessary to carry out the purpose of this chapter.

33 5. Levy and collect assessments, fees, charges, taxes and other  
34 revenues as are provided in this chapter for the financing of replenishment  
35 activities.

36 6. Contract for or perform feasibility studies of water storage,  
37 storage facilities and recovery wells for replenishment purposes.

38 7. Acquire real and personal property for water storage, storage  
39 facilities and recovery wells for replenishment purposes by purchase, lease,  
40 donation, dedication, exchange or other lawful means.

41 8. Use any facilities and any excess storage capacity of any state  
42 demonstration projects undertaken pursuant to title 45, chapter 3.1 for water  
43 storage for replenishment purposes.

44 9. Subject to subsection H- G of this section, contract with any  
45 municipal provider having a member service area to replenish groundwater on

1 behalf of the municipal provider and with respect to the member service area  
2 in an amount in excess of the sum of the service area replenishment  
3 obligations applicable to the member service area for all years in which the  
4 district has not completed the replenishment of the groundwater replenishment  
5 obligation for the member service area.

6 10. Adopt resolutions granting water availability status to a member  
7 service area of a city, town or private water company and committing to  
8 replenish a specified average annual volume of water in a location where the  
9 city, town or private water company may physically access the water for  
10 service to its customers, if all of the following apply:

11 (a) The district has reviewed its requirements for transportation of  
12 central Arizona project water, its contracts, subcontracts, letter  
13 agreements, excess water contracts, and other contractual obligations, AND  
14 its member service area and member land requirements and has determined that  
15 the district can meet those obligations and that capacity remains in the  
16 central Arizona project to meet the obligations undertaken through the  
17 resolution.

18 (b) The resolution acknowledges that the commitment to replenish the  
19 specified average annual volume of water in the location cited in the  
20 resolution shall be a permanent obligation of the district, unless one of the  
21 following apply APPLIES:

22 (i) A permanent substitute supply of water is found for the city, town  
23 or private water company and the substitution is approved by the director of  
24 water resources, thus terminating the water availability status of the member  
25 service area.

26 (ii) The requirements of section 45-576.07, subsection A, are not  
27 met, and thus the director of water resources does not issue an order  
28 granting or maintaining the city, town or private water company as having an  
29 assured water supply based in whole or in part on section 45-576.07. If no  
30 order is issued within two years of the district adopting the resolution, the  
31 resolution may be repealed, and the district shall be relieved of all  
32 obligations under the resolution.

33 (c) The average annual volume of water specified in the resolution,  
34 when added to the average annual volume of water specified in all other  
35 resolutions adopted pursuant to this paragraph, does not exceed twenty  
36 thousand acre-feet.

37 (d) The district has entered into an agreement with the city, town or  
38 private water company under which the city, town or private water company  
39 will hold for the district's future use, and provide to the district when  
40 needed, sufficient water to meet the obligations undertaken by the district  
41 through the resolution.

42 (e) The district determines that the obligations undertaken by the  
43 district through the resolution will not increase annual replenishment  
44 assessment rates or costs to central Arizona project contract and subcontract  
45 holders, AND its member service area AREAS and member lands.



1 (f) The director of water resources has found pursuant to section  
2 45-576.07, subsection H, that the district has the capability to grant water  
3 availability status to member service areas.

4 11. Provide in resolutions adopted pursuant to paragraph 10 of this  
5 subsection that the district may fulfill its obligations under the resolution  
6 in any year by directly delivering to the city, town or private water company  
7 the water that otherwise would have been replenished pursuant to the  
8 resolution, if all of the following apply:

9 (a) The district has reviewed its requirements for transportation of  
10 central Arizona project water, its contracts, subcontracts, letter  
11 agreements, excess water contracts, and other contractual obligations, its  
12 member service area and member land requirements and has determined that the  
13 district can meet those obligations and that capacity remains in the central  
14 Arizona project to make direct deliveries pursuant to this paragraph.

15 (b) The district determines that the delivery will not increase annual  
16 replenishment assessment rates or costs to central Arizona project contract  
17 and subcontract holders, its member service area and member lands.

18 12. Enter into agreements with a city, town or private water company  
19 that will have water made available to it through a resolution adopted  
20 pursuant to paragraph 10 OF THIS SUBSECTION AND under which the city, town  
21 or private water company compensate COMPENSATES the district for the costs  
22 and fair value of the water supply provided by the district.

23 C. The functions of the district under subsection B, paragraph 1 of  
24 this subsection SECTION may be performed on behalf of the district by other  
25 persons under contract with the district.

26 D. For purposes of determining the annual costs and expenses of the  
27 district under subsection A, paragraph 1 of this subsection, the district  
28 shall amortize capital costs and expenses, including interest as determined  
29 by the district, over the useful life of the capital improvements, as  
30 determined by the district. The capital costs of the facilities of any state  
31 demonstration projects used by the district pursuant to subsection B,  
32 paragraph 8 of this section shall not be included in the capital costs and  
33 expenses amortized by the district under this subsection.

34 ~~E. The district may replenish in advance an amount of groundwater in~~  
35 ~~addition to the amount of groundwater required to complete replenishment of~~  
36 ~~the groundwater replenishment obligation for all active management areas~~  
37 ~~applicable to the calendar year of the determination and the three~~  
38 ~~immediately preceding calendar years if all of the following apply:~~

39 ~~1. The amount of additional groundwater replenished in advance by the~~  
40 ~~district during a calendar year shall not exceed the groundwater~~  
41 ~~replenishment obligation for all active management areas for the immediately~~  
42 ~~preceding year, multiplied by twenty per cent.~~

43 ~~2. The total amount of additional groundwater replenished in advance~~  
44 ~~by the district at a particular time and not applied by the district to~~  
45 ~~complete replenishment of a groundwater replenishment obligation shall not~~

1 ~~exceed the estimated groundwater replenishment obligation for all active~~  
2 ~~management areas, as determined by the district, for the year of the~~  
3 ~~determination.~~

4 E. THE DISTRICT SHALL ESTABLISH AND MAINTAIN A REPLENISHMENT RESERVE  
5 AS FOLLOWS:

6 1. THE DISTRICT SHALL INCLUDE A REPLENISHMENT RESERVE CHARGE IN THE  
7 ANNUAL REPLENISHMENT ASSESSMENT LEVIED AGAINST ALL PARCELS OF CATEGORY 1  
8 MEMBER LAND AS PROVIDED IN SECTION 48-3774.01 AND IN THE ANNUAL REPLENISHMENT  
9 TAX LEVIED AGAINST ALL MUNICIPAL PROVIDERS THAT HAVE MEMBER SERVICE AREAS AS  
10 PROVIDED IN SECTION 48-3780.01. THE REPLENISHMENT RESERVE CHARGE FOR EACH  
11 ACTIVE MANAGEMENT AREA IS ESTABLISHED ANNUALLY BY THE DISTRICT BASED ON THE  
12 RESERVE TARGET FOR THAT ACTIVE MANAGEMENT AREA.

13 2. THE DISTRICT SHALL LEVY A REPLENISHMENT RESERVE FEE AGAINST  
14 CATEGORY 1 MEMBER LANDS PURSUANT TO SECTION 48-3774.01 AND AGAINST MEMBER  
15 SERVICE AREAS PURSUANT TO SECTION 48-3780.01. FOR CATEGORY 1 MEMBER LANDS  
16 THE FEE IS EQUAL TO TWICE THE APPLICABLE REPLENISHMENT RESERVE CHARGE  
17 MULTIPLIED BY THE TOTAL PROJECTED ANNUAL GROUNDWATER DEMAND FOR THE MEMBER  
18 LANDS AS REPORTED BY THE DIRECTOR OF WATER RESOURCES PURSUANT TO SECTION  
19 45-578, SUBSECTION F. FOR MEMBER SERVICE AREAS THE FEE IS EQUAL TO TWICE THE  
20 APPLICABLE REPLENISHMENT RESERVE CHARGE MULTIPLIED BY THE EXCESS GROUNDWATER  
21 INCREMENT. WITH THE APPROVAL OF THE DISTRICT AND THE DIRECTOR OF WATER  
22 RESOURCES, LONG-TERM STORAGE CREDITS AS DEFINED IN SECTION 45-802.01 MAY BE  
23 ASSIGNED TO THE DISTRICT'S REPLENISHMENT RESERVE SUBACCOUNT IN LIEU OF PAYING  
24 THE REPLENISHMENT RESERVE FEE.

25 3. THE DISTRICT SHALL USE REPLENISHMENT RESERVE CHARGES AND  
26 REPLENISHMENT RESERVE FEES COLLECTED WITHIN EACH ACTIVE MANAGEMENT AREA  
27 TOGETHER WITH ALL INTEREST EARNED ON THE CHARGES AND FEES TO STORE WATER IN  
28 THAT ACTIVE MANAGEMENT AREA IN ADVANCE OF GROUNDWATER REPLENISHMENT  
29 OBLIGATIONS FOR THE PURPOSE OF DEVELOPING LONG-TERM STORAGE CREDITS AS  
30 DEFINED IN SECTION 45-802.01 THAT SHALL BE CREDITED TO THE REPLENISHMENT  
31 RESERVE SUBACCOUNT FOR THAT ACTIVE MANAGEMENT AREA AS PROVIDED IN SECTION  
32 45-859.01.

33 4. BEGINNING JANUARY 1, 2030, THE DISTRICT MAY TRANSFER CREDITS FROM  
34 A REPLENISHMENT RESERVE SUBACCOUNT TO A CONSERVATION DISTRICT ACCOUNT AS  
35 PROVIDED IN SECTION 45-859.01 TO SATISFY ITS GROUNDWATER REPLENISHMENT  
36 OBLIGATIONS.

37 5. IF THE DISTRICT TRANSFERS CREDITS FROM THE REPLENISHMENT RESERVE  
38 SUBACCOUNT FOR AN ACTIVE MANAGEMENT AREA PURSUANT TO SECTION 45-859.01,  
39 SUBSECTION E, THE DISTRICT SHALL INCLUDE IN THE ANNUAL REPLENISHMENT  
40 ASSESSMENT LEVIED AGAINST ALL PARCELS OF CATEGORY 1 MEMBER LAND IN THAT  
41 ACTIVE MANAGEMENT AREA AND, EXCEPT AS PROVIDED IN SECTION 48-3780.01,  
42 SUBSECTION B, IN THE ANNUAL REPLENISHMENT TAX LEVIED AGAINST ALL MUNICIPAL  
43 PROVIDERS THAT HAVE MEMBER SERVICE AREAS IN THAT ACTIVE MANAGEMENT AREA A  
44 RESERVE REPLACEMENT COMPONENT TO FUND THE REPLACEMENT OF THE TRANSFERRED  
45 CREDITS. THE DISTRICT SHALL USE ALL MONIES FROM THE RESERVE REPLACEMENT

1 COMPONENT COLLECTED WITHIN AN ACTIVE MANAGEMENT AREA TOGETHER WITH ALL  
2 INTEREST EARNED ON THE MONIES TO DEVELOP LONG-TERM STORAGE CREDITS AS DEFINED  
3 IN SECTION 45-802.01 WITHIN THAT ACTIVE MANAGEMENT AREA TO BE CREDITED TO THE  
4 REPLENISHMENT RESERVE SUBACCOUNT FOR THAT ACTIVE MANAGEMENT AREA AS PROVIDED  
5 IN SECTION 45-859.01.

6 6. FOR THE PURPOSES OF ESTABLISHING AND MAINTAINING THE REPLENISHMENT  
7 RESERVE, THE DISTRICT SHALL HAVE ACCESS TO EXCESS CENTRAL ARIZONA PROJECT  
8 WATER EQUIVALENT TO BUT NO MORE THAN THE ACCESS THE ARIZONA WATER BANKING  
9 AUTHORITY HAS FOR THE PURPOSES SPECIFIED IN SECTION 45-2401, SUBSECTION H,  
10 PARAGRAPH 2.

11 F. Groundwater replenished by the district pursuant to a contract to  
12 replenish groundwater under subsection B, paragraph 9 of this section is not  
13 additional groundwater replenished in advance under subsection E of this  
14 section SHALL NOT BE CREDITED TO A REPLENISHMENT RESERVE SUBACCOUNT  
15 ESTABLISHED UNDER SECTION 45-859.01.

16 ~~G. Groundwater replenished by the district is not additional~~  
17 ~~groundwater replenished in advance under subsection E of this section for as~~  
18 ~~long as the costs and expenses of replenishing the groundwater are not~~  
19 ~~included in the costs and expenses of replenishment established under~~  
20 ~~subsection A, paragraph 1 of this section.~~

21 H. G. The district shall not enter into a contract authorized under  
22 subsection B, paragraph 9 of this section unless the district has determined  
23 that the contract will not adversely affect the district's ability to fulfill  
24 its obligations under this chapter. For each contract entered into under  
25 subsection B, paragraph 9 of this section, the district shall perform its  
26 contract replenishment obligations in the active management area in which the  
27 service area of the municipal provider that is the party to the contract is  
28 located.

29 ~~I. H.~~ If the district replenishes groundwater on behalf of a  
30 municipal provider pursuant to a contract to replenish groundwater under  
31 subsection B, paragraph 9 of this section, the amount of groundwater so  
32 replenished shall be a replenishment credit to the municipal provider that  
33 may be applied by the municipal provider on notice to the district to reduce  
34 the service area replenishment obligations applicable to the municipal  
35 provider.

36 ~~J. I.~~ In the Phoenix active management area, the district, to the  
37 extent reasonably feasible, shall replenish groundwater in the east portion  
38 of the active management area and in the west portion of the active  
39 management area in the approximate proportion that the groundwater  
40 replenishment obligation attributable in a particular year to member lands  
41 and member service areas located in the east portion of the active management  
42 area bears to the groundwater replenishment obligation attributable in that  
43 year to member lands and member service areas located in the west portion of  
44 the active management area. For purposes of this subsection, the boundary  
45 between the east Salt river valley sub-basin and the west Salt river valley

1 sub-basin is the boundary between the east and west portions of the active  
2 management area.

3 K. J. The costs and expenses charged by the district to an active  
4 management area water district established under chapter 28 of this title for  
5 delivery of surplus central Arizona project water to such active management  
6 area water district for replenishment purposes shall not exceed the costs and  
7 expenses for delivery of such water that are or would be included by the  
8 district in the costs and expenses of replenishment for member lands and  
9 member service areas within the active management area in which such active  
10 management area water district is situated.

11 Sec. 16. Section 48-3774, Arizona Revised Statutes, is amended to  
12 read:

13 48-3774. Qualification as member land

14 A. Real property qualifies as member land only if all of the following  
15 apply:

16 1. The real property is located in an active management area in which  
17 a part of the central Arizona project aqueduct is located.

18 2. The real property is not in a member service area or in a  
19 groundwater replenishment district under chapter 27 of this title.

20 3. The real property is not a water district member land or a parcel  
21 of water district member land, or in a water district member service area  
22 established under chapter 28 of this title.

23 4. The conditions stated in section 45-576.01, subsection 8,  
24 paragraphs 2 and 3 are satisfied with respect to the district at the time of  
25 the qualification.

26 5. The owner of the real property, or other person or entity, such as  
27 a property owners' or homeowners' association, if the person or entity has  
28 proper authority, records a declaration against the real property in the  
29 official records of the county where the real property is located that:

30 (a) Contains the legal description of the real property.

31 (b) Declares the intent of the owner that the real property qualify  
32 as member land under this chapter.

33 (c) Declares that, in order to permit the delivery of excess  
34 groundwater to the real property, each parcel of member land thereafter  
35 established at the real property is subject to a parcel replenishment  
36 obligation and to a replenishment assessment to be determined by the  
37 district.

38 (d) Declares that qualifying as member land and subjecting the real  
39 property to the parcel replenishment obligation and the replenishment  
40 assessment directly benefits the real property by increasing the potential  
41 of the property to qualify for a certificate of assured water supply issued  
42 by the department of water resources pursuant to title 45, chapter 2, article  
43 9, thereby allowing the development, use and enjoyment of the real property.

44 (e) Contains a covenant that is binding against the real property and  
45 each parcel of member land thereafter established at the real property to pay

1 to the district a replenishment assessment based on the parcel replenishment  
2 obligation in an amount determined by the district ~~as necessary to allow the~~  
3 ~~district to perform the groundwater replenishment obligation~~ PURSUANT TO  
4 SECTION 48-3772, SUBSECTION A.

5 (f) Declares that the district may impose a lien on the real property  
6 and each parcel of member land thereafter established at the real property  
7 to secure payment of the replenishment assessment AND THE REPLENISHMENT  
8 RESERVE FEE.

9 (g) Declares that the covenants, conditions and restrictions contained  
10 in the declaration run with the land and bind all successors and assigns of  
11 the owner.

12 B. The declaration may contain covenants, conditions and restrictions  
13 in addition to those prescribed by this section. The declaration may be an  
14 amendment or supplement to covenants, conditions and restrictions recorded  
15 against developed or undeveloped land.

16 C. Notwithstanding subsection A of this section, no real property  
17 qualifies as member land unless the municipal provider that will provide  
18 water to the real property that is subject to the declaration records in the  
19 official records of the county where the real property is located an  
20 instrument that contains both of the following:

21 1. The legal description of the real property and the tax assessor  
22 parcel numbers for the real property.

23 2. An agreement by the municipal provider to submit, ~~TO THE DISTRICT~~  
24 ~~by March 31 of each year after the recordation of the instrument, to the~~  
25 ~~district and to the property tax assessor and treasurer of the county where~~  
26 ~~the real property is located,~~ the information prescribed by section 48-3775,  
27 subsection A and such other information as the district may reasonably  
28 request.

29 Sec. 17. Title 48, chapter 22, article 4, Arizona Revised Statutes,  
30 is amended by adding section 48-3774.01, to read:

31 48-3774.01. Category 1 member lands; category 2 member lands

32 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, ALL REAL  
33 PROPERTY THAT QUALIFIES UNDER SECTION 48-3774 SHALL BE CATEGORY 1 MEMBER  
34 LAND. THE DISTRICT SHALL LEVY ANNUAL REPLENISHMENT RESERVE CHARGES AND  
35 ONE-TIME REPLENISHMENT RESERVE FEES FOR CATEGORY 1 MEMBER LANDS AS PROVIDED  
36 IN SECTION 48-3772, SUBSECTION E AND AS FOLLOWS:

37 1. FOR CATEGORY 1 MEMBER LANDS THAT QUALIFIED BEFORE JANUARY 1, 2004,  
38 THE DISTRICT SHALL LEVY ANNUAL REPLENISHMENT RESERVE CHARGES FOR TWENTY-FIVE  
39 YEARS BEGINNING IN 2004.

40 2. FOR CATEGORY 1 MEMBER LAND THAT QUALIFIES ON OR AFTER JANUARY 1,  
41 2004, A REPLENISHMENT RESERVE FEE SHALL BE PAID BEFORE ISSUANCE OF A PUBLIC  
42 REPORT FOR EACH FINAL PLAT WITHIN THE MEMBER LAND AS PROVIDED IN SECTION  
43 45-576, SUBSECTION C AND THE DISTRICT SHALL LEVY ANNUAL REPLENISHMENT RESERVE  
44 CHARGES AGAINST THE LAND INCLUDED WITHIN THE FINAL PLAT FOR TWENTY-THREE

1 YEARS BEGINNING IN THE YEAR AFTER PAYMENT OF THE CORRESPONDING REPLENISHMENT  
2 RESERVE FEE.

3 B. A PARCEL OF MEMBER LAND SHALL BE A CATEGORY 2 MEMBER LAND IF ALL  
4 OF THE FOLLOWING APPLY:

5 1. THE PARCEL OF MEMBER LAND IS OR WILL BE USED AS A GOLF COURSE.

6 2. THE PARCEL OF MEMBER LAND IS NOT SERVED BY A WATER PROVIDER THAT  
7 HAS BEEN DESIGNATED BY THE DIRECTOR OF WATER RESOURCES AS HAVING AN ASSURED  
8 WATER SUPPLY PURSUANT TO SECTION 45-576.

9 3. THE OWNER OF THE PARCEL NOTIFIES THE DISTRICT IN WRITING AT THE  
10 TIME OF QUALIFICATION THAT THE PARCEL IS TO BE CATEGORY 2 MEMBER LAND. FOR  
11 MEMBER LAND THAT QUALIFIED UNDER SECTION 48-3774 BEFORE JANUARY 1, 2004, SUCH  
12 NOTIFICATION MUST BE MADE NO LATER THAN JANUARY 30, 2004.

13 C. THE DISTRICT SHALL NOT LEVY REPLENISHMENT RESERVE FEES,  
14 REPLENISHMENT RESERVE CHARGES OR A RESERVE REPLACEMENT COMPONENT AGAINST  
15 CATEGORY 2 MEMBER LANDS.

16 D. THE DISTRICT SHALL NOT USE CREDITS FROM A REPLENISHMENT RESERVE  
17 SUBACCOUNT ESTABLISHED UNDER SECTION 45-859.01 TO SATISFY ITS GROUNDWATER  
18 REPLENISHMENT OBLIGATIONS FOR CATEGORY 2 MEMBER LANDS. IF AS A RESULT THE  
19 DISTRICT INCURS ADDITIONAL COSTS AND EXPENSES IN MEETING ITS REPLENISHMENT  
20 OBLIGATIONS FOR CATEGORY 2 MEMBER LANDS, THOSE ADDITIONAL COSTS AND EXPENSES  
21 ARE ATTRIBUTED SOLELY TO CATEGORY 2 MEMBER LANDS FOR PURPOSES OF SECTION  
22 48-3772, SUBSECTION A, PARAGRAPH 1.

23 Sec. 18. Section 48-3775, Arizona Revised Statutes, is amended to  
24 read:

25 48-3775. Reports

26 A. Except as provided in subsection H of this section, on or before  
27 March 31 of each year after the recordation of the instrument described in  
28 section 48-3774, subsection C, each municipal provider delivering water to  
29 member land shall file a report with the district, with the director of water  
30 resources and with the assessor and treasurer of the county where the member  
31 lands are located that contains the following information for the preceding  
32 calendar year, which is the reporting year:

33 1. The amount of groundwater delivered by the municipal provider to  
34 each parcel of member land, identified by the applicable tax parcel number,  
35 and the basis for the calculation of the amount of groundwater delivered.

36 2. The amount of groundwater delivered by the municipal provider to  
37 the member land, and the basis for the calculation of the amount of  
38 groundwater delivered.

39 3. The amount of excess groundwater delivered by the municipal  
40 provider to the member land, and the basis for the calculation of the amount  
41 of excess groundwater delivered.

42 4. The parcel replenishment obligation of each parcel of the member  
43 land, identified by the applicable tax parcel number.

44 5. Such other information as the district may reasonably require.

1 B. On or before March 31 of each year after the qualification of a  
2 municipal provider's service area as a member service area, the municipal  
3 provider shall file a report with the district and with the director of water  
4 resources that contains the following information for the preceding calendar  
5 year, which is the reporting year:

6 1. The amount of groundwater delivered by the municipal provider to  
7 all customers within the member service area, and the basis for the  
8 calculation of the amount of groundwater delivered.

9 2. The amount of excess groundwater delivered by the municipal  
10 provider to all customers within the member service area, and the basis for  
11 the calculation of the amount of excess groundwater delivered.

12 3. Such other information as the district may require.

13 C. The district shall confirm the calculation of the parcel  
14 replenishment obligation of each parcel of the member land and the service  
15 area replenishment obligation of each member service area, using the  
16 information provided in subsections A and B of this section.

17 D. To the extent allowed by the assured water supply rules adopted by  
18 the department of water resources pursuant to section 45-576, subsection H,  
19 in calculating the excess groundwater of a member land or a member service  
20 area, the municipal provider shall reduce the amount of groundwater that may  
21 be used, consistent with such rules, at a member land or delivered for use  
22 within the member service area and that is not derived from credits on a  
23 straight line basis over the applicable period of years prescribed in such  
24 rules. The municipal provider may apply any credits applicable to the member  
25 land or the member service area as permitted under such rules.

26 E. The district shall prepare and file with the director of water  
27 resources on or before August 31 of each year for the prior calendar year,  
28 which is the reporting year, an annual report that includes the following  
29 information:

30 1. The total amount of water that was stored by the district during  
31 the reporting year pursuant to each water storage permit issued to it under  
32 title 45, chapter 3.1.

33 2. The amount of water stored by the district during the reporting  
34 year to be credited to the district's conservation district account pursuant  
35 to title 45, chapter 3.1.

36 3. THE AMOUNT OF WATER STORED BY THE DISTRICT DURING THE REPORTING  
37 YEAR TO BE CREDITED TO THE DISTRICT'S REPLENISHMENT RESERVE SUBACCOUNT  
38 PURSUANT TO TITLE 45, CHAPTER 3.1.

39 ~~3.~~ 4. The groundwater replenishment obligations for the reporting  
40 year and for the two calendar years preceding the reporting year, and the  
41 extent to which the district has completed the groundwater replenishment  
42 obligations applicable to each of those years.

43 ~~4.~~ 5. The information required under section 45-877.01.

1       ~~5.~~ 6. The amount of water stored by the district during the reporting  
2 year to be credited to the district's long-term storage account pursuant to  
3 title 45, chapter 3.1.

4       ~~6.~~ 7. The amount of long-term storage credits the district has  
5 transferred and credited to its conservation district account pursuant to  
6 title 45, chapter 3.1 during the reporting year.

7       F. The district and the municipal providers required to file reports  
8 under this section shall maintain current, accurate records of the  
9 information required to be included in the reports.

10       G. If a municipal provider fails to file a report as required by the  
11 district, the district may assess a penalty of up to one thousand dollars per  
12 day that the report is overdue.

13       H. A municipal provider shall not file the report required by  
14 subsection A of this section for a parcel of member land that is included in  
15 the service area of a municipal provider that is a member service area that  
16 has been designated as having an assured water supply under section 45-576.

17       Sec. 19. Section 48-3776, Arizona Revised Statutes, is amended to  
18 read:

19       48-3776. Storage and recovery outside the district

20       In order to efficiently manage sources of water for replenishment, the  
21 district may store and recover water outside of active management  
22 areas. Subject to section 48-3772, ~~subsections E and G,~~ the costs of  
23 operating storage and recovery facilities outside the active management areas  
24 shall be included as part of the costs incurred by the district.

25       Sec. 20. Section 48-3778, Arizona Revised Statutes, is amended to  
26 read:

27       48-3778. Annual assessment; general revenue law

28       A. On or before the third Monday of August of each year after the  
29 qualification of any real property as member land, the district shall charge  
30 an annual replenishment assessment against each parcel of member land that  
31 is subject to a parcel replenishment obligation. This charge becomes a lien  
32 on the parcel and shall be collected in the same manner as an ad valorem  
33 tax. The assessment ASSESSMENTS shall be charged for each active management  
34 area at a rate per acre-foot of groundwater CALCULATED BY THE DISTRICT  
35 PURSUANT TO THIS ARTICLE AND SHALL BE sufficient to produce the amount of  
36 money estimated as needed to pay the costs and expenses to replenish  
37 groundwater established under section 48-3772, subsection A and taking into  
38 account any annual replenishment tax levied against municipal providers under  
39 section 48-3781.

40       ~~B. The district shall promptly certify the assessment rate ASSESSMENTS~~  
41 ~~to the board of supervisors of each county in which member lands are located,~~  
42 ~~and these boards of supervisors at the time of levying general county taxes~~  
43 ~~shall take the necessary steps for collection of replenishment assessments~~  
44 ~~against the parcels of member land within such county at the assessment rate~~  
45 ~~fixed by the district. The replenishment assessment collected against a~~



1 ~~parcel of member land shall equal the assessment rate per acre-foot of~~  
2 ~~groundwater fixed by the district for the applicable active management area~~  
3 ~~multiplied by the parcel replenishment obligation of the parcel.~~

4 C. The assessment when collected shall be deposited, pursuant to  
5 sections 35-146 and 35-147, in the special fund established under section  
6 48-3773, subsection A, paragraph 3 to be spent by the district only for the  
7 purposes authorized by this article.

8 D. All provisions of the general revenue laws for the collection of  
9 taxes on real estate for state and county purposes apply to the collection  
10 of the replenishment assessment imposed by this article, including all  
11 remedies of the revenue laws for collecting delinquent taxes and provisions  
12 relating to sales of real property for delinquent taxes. The exemptions  
13 applicable to ad valorem taxes do not apply to assessments charged pursuant  
14 to this section.

15 Sec. 21. Section 48-3780, Arizona Revised Statutes, is amended to  
16 read:

17 48-3780. Qualification as a member service area; termination

18 A. The service area of a municipal provider qualifies as a member  
19 service area only if all of the following apply:

20 1. The service area is located in an active management area in which  
21 a part of the central Arizona project aqueduct is located.

22 2. The municipal provider is not a member of a groundwater  
23 replenishment district established pursuant to chapter 27 of this title.

24 3. The service area of the municipal provider is not a water district  
25 member service area under chapter 28 of this title.

26 4. IF THE MUNICIPAL PROVIDER OR ITS PREDECESSOR PREVIOUSLY TERMINATED  
27 MEMBER SERVICE AREA STATUS PURSUANT TO SUBSECTION B OF THIS SECTION, THE  
28 SERVICE AREA OR ANY PORTION OF THE SERVICE AREA HAS NOT BEEN A MEMBER SERVICE  
29 AREA FOR AT LEAST TEN YEARS. THE DISTRICT MAY WAIVE THIS REQUIREMENT IF THE  
30 DISTRICT AND THE DIRECTOR OF WATER RESOURCES DETERMINE THAT PREVIOUSLY  
31 UNFORESEEN CIRCUMSTANCES NECESSITATE REQUALIFICATION OF THE SERVICE AREA.

32 5. IF THE MUNICIPAL PROVIDER OR ITS PREDECESSOR PREVIOUSLY TERMINATED  
33 MEMBER SERVICE AREA STATUS PURSUANT TO SUBSECTION B OF THIS SECTION, THE  
34 MUNICIPAL PROVIDER AGREES TO PAY TO THE DISTRICT ALL CHARGES THAT WOULD HAVE  
35 OTHERWISE BEEN IMPOSED BY THE DISTRICT HAD THE MEMBER SERVICE AREA STATUS  
36 REMAINED IN EFFECT DURING THE PERIOD SINCE TERMINATION BECAME EFFECTIVE.

37 ~~4.~~ 6. The conditions stated in section 45-576.01, subsection B,  
38 paragraphs 2 and 3 are satisfied with respect to the district at the time of  
39 the qualification.

40 ~~5.~~ 7. The municipal provider publishes a resolution once each week  
41 for two consecutive weeks in a newspaper of general circulation in the county  
42 or counties where the service area is located that:

43 (a) Has attached to it a current map of the municipal provider's  
44 service area.

1 (b) Declares the intent of the municipal provider that the service  
2 area qualify as a member service area under this chapter.

3 (c) Declares that, for the privilege of withdrawing and delivering  
4 excess groundwater within its service area and to ensure the continued  
5 exercise of that privilege, the municipal provider shall pay an annual  
6 replenishment tax to be determined by the district.

7 (d) Contains a covenant, binding against the municipal provider, to  
8 pay to the district an annual replenishment tax based on the service area  
9 replenishment obligation in an amount determined by the district as necessary  
10 to allow the district to perform the groundwater replenishment obligations.

11 (e) Authorizes the municipal provider to enter into a written  
12 commitment with the district in the form and substance satisfactory to the  
13 district regarding payment of the annual replenishment tax.

14 (f) Declares that the resolution applies to the service area of the  
15 municipal provider as it currently exists and to all additions to and  
16 extensions of the service area.

17 (g) Declares that the resolution is irrevocable for as long as the  
18 district is obligated to perform the groundwater replenishment obligations.

19 B. A SERVICE AREA PREVIOUSLY ACCEPTED AS A MEMBER SERVICE AREA  
20 PURSUANT TO SUBSECTION A OF THIS SECTION MAY TERMINATE ITS MEMBER SERVICE  
21 AREA STATUS ONLY IF ALL OF THE FOLLOWING APPLY:

22 1. THE MUNICIPAL PROVIDER FOR THE MEMBER SERVICE AREA HAS SUBMITTED  
23 AN APPLICATION TO THE DISTRICT REQUESTING TERMINATION OF MEMBER SERVICE AREA  
24 STATUS.

25 2. THE MUNICIPAL PROVIDER FOR THE MEMBER SERVICE AREA HAS SUBMITTED  
26 AN APPLICATION TO THE DIRECTOR OF WATER RESOURCES REQUESTING MODIFICATION OF  
27 THE MUNICIPAL PROVIDER'S ASSURED WATER SUPPLY DESIGNATION UNDER SECTION  
28 45-576 THAT ELIMINATES THE MUNICIPAL PROVIDER'S RELIANCE ON MEMBER SERVICE  
29 AREA STATUS.

30 3. THE APPLICATIONS PROVIDE EVIDENCE SATISFACTORY TO THE DIRECTOR OF  
31 WATER RESOURCES THAT THE MUNICIPAL PROVIDER HAS OBTAINED A SUBSTITUTE SUPPLY  
32 OF WATER, OTHER THAN GROUNDWATER, THAT IS DETERMINED BY THE DIRECTOR OF WATER  
33 RESOURCES TO BE CONSISTENT WITH ASSURED WATER SUPPLY REQUIREMENTS PURSUANT  
34 TO SECTION 45-576 AND THAT IS SUFFICIENT TO ELIMINATE THE MUNICIPAL  
35 PROVIDER'S RELIANCE ON MEMBER SERVICE AREA STATUS.

36 4. THE DIRECTOR OF WATER RESOURCES HAS APPROVED THE MUNICIPAL  
37 PROVIDER'S APPLICATION TO MODIFY ITS ASSURED WATER SUPPLY DESIGNATION BASED  
38 ON THE ADDITION OF THE SUBSTITUTE WATER SUPPLY.

39 5. THE MUNICIPAL PROVIDER PUBLISHES A RESOLUTION ONCE EACH WEEK FOR  
40 TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY OR  
41 COUNTIES WHERE THE SERVICE AREA IS LOCATED THAT:

42 (a) HAS ATTACHED TO IT A CURRENT MAP OF THE MUNICIPAL PROVIDER'S  
43 SERVICE AREA.

44 (b) DECLARES THE INTENT OF THE MUNICIPAL PROVIDER TO TERMINATE THE  
45 SERVICE AREA'S MEMBER SERVICE AREA STATUS.

1 (c) DECLARES THAT THE DISTRICT IS NO LONGER OBLIGATED TO PERFORM THE  
2 GROUNDWATER REPLENISHMENT OBLIGATIONS ON BEHALF OF THE SERVICE AREA.

3 (d) REVOKES THE RESOLUTION FOR THE MEMBER SERVICE AREA PROVIDED FOR IN  
4 SUBSECTION A, PARAGRAPH 7 OF THIS SECTION.

5 6. ALL AMOUNTS OWED BY THE WATER PROVIDER ON BEHALF OF THE MEMBER  
6 SERVICE AREA TO THE DISTRICT HAVE BEEN PAID.

7 7. THE MUNICIPAL PROVIDER HAS PAID OR MADE ARRANGEMENTS SUITABLE TO  
8 THE DISTRICT FOR REPAYMENT OF ANY CAPITAL COSTS INCURRED BY THE DISTRICT  
9 SPECIFICALLY ON BEHALF OF THE MEMBER SERVICE AREA.

10 Sec. 22. Title 48, chapter 22, article 4, Arizona Revised Statutes,  
11 is amended by adding section 48-3780.01, to read:

12 48-3780.01. Member service area; replenishment reserve

13 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, MUNICIPAL  
14 PROVIDERS WITH SERVICE AREAS THAT QUALIFY UNDER SECTION 48-3780 SHALL PAY TO  
15 THE DISTRICT ANNUAL REPLENISHMENT RESERVE CHARGES AND REPLENISHMENT RESERVE  
16 FEES AS PROVIDED IN SECTION 48-3772, SUBSECTION E, AND AS FOLLOWS:

17 1. A MUNICIPAL PROVIDER WITH A MEMBER SERVICE AREA THAT QUALIFIED  
18 BEFORE JANUARY 1, 2004 SHALL PAY ANNUAL REPLENISHMENT RESERVE CHARGES FOR  
19 TWENTY-FIVE YEARS BEGINNING IN 2004.

20 2. A MUNICIPAL PROVIDER WITH A MEMBER SERVICE AREA THAT QUALIFIES ON  
21 OR AFTER JANUARY 1, 2004 SHALL:

22 (a) PAY ANNUAL REPLENISHMENT RESERVE CHARGES ASSOCIATED WITH EACH  
23 EXCESS GROUNDWATER INCREMENT FOR TWENTY-THREE YEARS BEGINNING IN THE YEAR  
24 AFTER THE EXCESS GROUNDWATER INCREMENT IS REPORTED.

25 (b) PAY A REPLENISHMENT RESERVE FEE EACH YEAR BEGINNING IN THE YEAR  
26 FOLLOWING QUALIFICATION.

27 3. IF THE ASSURED WATER SUPPLY DESIGNATION OF A MUNICIPAL PROVIDER  
28 WITH A MEMBER SERVICE AREA IS MODIFIED IN A MANNER THAT INCREASES THE  
29 DISTRICT'S PROJECTED ANNUAL REPLENISHMENT OBLIGATION AS REPORTED BY THE  
30 DIRECTOR OF WATER RESOURCES PURSUANT TO SECTION 45-576, SUBSECTION F, THE  
31 MUNICIPAL PROVIDER SHALL:

32 (a) PAY ANNUAL REPLENISHMENT RESERVE CHARGES ASSOCIATED WITH EACH  
33 EXCESS GROUNDWATER INCREMENT FOR TWENTY-THREE YEARS BEGINNING IN THE YEAR  
34 AFTER THE EXCESS GROUNDWATER INCREMENT IS REPORTED. SUCH CHARGES ARE IN  
35 ADDITION TO ANY REPLENISHMENT RESERVE CHARGES DUE UNDER PARAGRAPHS 1 AND 2.

36 (b) PAY A REPLENISHMENT RESERVE FEE EACH YEAR BEGINNING IN THE YEAR  
37 FOLLOWING MODIFICATION.

38 B. THE DISTRICT SHALL NOT LEVY REPLENISHMENT RESERVE FEES,  
39 REPLENISHMENT RESERVE CHARGES OR A RESERVE REPLACEMENT COMPONENT ASSOCIATED  
40 WITH REPLENISHMENT ACTIVITIES PERFORMED UNDER A RESOLUTION ADOPTED PURSUANT  
41 TO SECTION 48-3772, SUBSECTION B, PARAGRAPH 10.

42 C. THE DISTRICT SHALL NOT USE CREDITS FROM A REPLENISHMENT RESERVE  
43 SUBACCOUNT ESTABLISHED UNDER SECTION 45-859.01 TO SATISFY ITS REPLENISHMENT  
44 OBLIGATIONS UNDER A RESOLUTION ADOPTED PURSUANT TO SECTION 48-3772,  
45 SUBSECTION B, PARAGRAPH 10.

1       Sec. 23. Section 48-3781, Arizona Revised Statutes, is amended to  
2 read:

3       48-3781. Annual replenishment tax; contract replenishment tax

4       A. On or before the third Monday of August of each year after the  
5 qualification of the member service area of any municipal provider, the  
6 district shall levy a replenishment tax against each municipal provider  
7 having a qualified member service area for the privilege of withdrawing and  
8 delivering excess groundwater within the member service area. The  
9 replenishment tax shall be levied for each active management area at an  
10 assessment rate per acre-foot of groundwater CALCULATED BY THE DISTRICT IN  
11 ACCORDANCE WITH THIS ARTICLE AND SHALL BE sufficient to produce the amount  
12 of money estimated as needed to pay the costs and expenses to replenish  
13 groundwater established under section 48-3772, subsection A, and taking into  
14 account any annual replenishment assessment levied under section 48-3778.

15       B. The district shall promptly transmit a statement to each municipal  
16 provider having a member service area stating the amount of the annual  
17 replenishment tax AND ANY REPLENISHMENT RESERVE FEE DUE UNDER SECTION  
18 48-3780.01. ~~The annual replenishment tax to be collected from a municipal~~  
19 ~~provider shall equal the assessment rate per acre-foot of groundwater fixed~~  
20 ~~by the district for the applicable active management area multiplied by the~~  
21 ~~service area replenishment obligation of the municipal provider.~~

22       C. On or before the third Monday of August of each year after the  
23 district enters into any contract to replenish water pursuant to section  
24 48-3772, subsection B, paragraph 9, the district shall levy a tax against  
25 each municipal provider that is a party to a contract to replenish  
26 groundwater at the assessment rate provided in the applicable contract. The  
27 district shall promptly transmit a statement to each municipal provider that  
28 is a party to a contract to replenish groundwater stating the amount of the  
29 replenishment tax due under the contract.

30       D. On or before October 15 of each year, each municipal provider that  
31 has a member service area shall pay to the district an amount equal to the  
32 annual replenishment tax levied by the district AND ANY REPLENISHMENT RESERVE  
33 FEE DUE UNDER SECTION 48-3780.01.

34       E. On or before October 15 of each year, each municipal provider that  
35 is a party to a contract to replenish groundwater under section 48-3772,  
36 subsection B, paragraph 9 shall pay to the district the contract  
37 replenishment tax levied by the district pursuant to the contract.

38       F. Annual replenishment taxes and contract replenishment taxes  
39 collected by the district shall be deposited, pursuant to sections 35-146 and  
40 35-147, in the special fund established pursuant to section 48-3773,  
41 subsection A, paragraph 3 and shall be expended by the district only for the  
42 purposes authorized by this article.

1 G. If a municipal provider is delinquent for more than ninety days in  
2 the payment of its replenishment tax, the district shall promptly notify the  
3 director of water resources of the delinquency.

4 Sec. 24. Delayed effective date

5 Section 48-3713, Arizona Revised Statutes, as amended by Laws 2000,  
6 chapter 142, section 3 and this act, is effective from and after June 30,  
7 2005.

APPROVED BY THE GOVERNOR MAY 6, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 6, 2003.



Passed the House March 5, 2003,

Passed the Senate April 28, 2003,

by the following vote: 53 Ayes,

by the following vote: 30 Ayes,

4 Nays, 3 Not Voting

0 Nays, 0 Not Voting

Jake Flake  
Speaker of the House

Ken Bennett  
President of the Senate

Norman L. Moore  
Chief Clerk of the House

Noema Chastain  
ASST. Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20  ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20  ,

at            o'clock            M.

            
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20  ,

at            o'clock            M.

            
Secretary of State

H.B. 2477

## HOUSE CONCURS IN SENATE AMENDMENTS AND FINAL PASSAGE

April 30, 2003,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

*Jake Flake*  
Speaker of the House

*Norman L. Spore*  
Chief Clerk of the House

**EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR**

**This Bill was received by the Governor this**

30 day of April, 2023

at 12:21 o'clock P M.

at 12:21 o'clock P. M.  
Sandra Ramirez  
Secretary to the Governor

Approved this 6 day of

May, 2003,

at 2<sup>10</sup> o'clock P. M.

*Just Noel*  
Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE**

**This Bill was received by the Secretary of State**

this 6 day of May, 2003

at 4:26 o'clock P M.

at 4:26 o'clock P M.  
James L. Brewer  
Secretary of State

H.B. 2477